2017

Benefits, Wage, & NAF Policy (LOB)

End of Year Report

WHOLE PERSON · WHOLE CAREER

BENEFITS • WAGE • NAF Policy

Our Service Sustains Your Service

Table of Contents

Introduction 3
Benefits, Wage, & NAF Policy LOB Synopsis and Mission 4
Benefits and Work Life Programs Synopsis and Mission 6
Federal Employees Health Benefits (FEHB) 7
Federal Employees' Group Life Insurance (FEGLI) 12
Appropriated Fund Retirement Programs 19
Appropriated Fund Retirement System Status 22
2017 Retirement Actions 23
Phased Retirement Projections 25
The DoD Workforce Age Categories 26
Thrift Savings Plan (TSP) 27
Benefits Training and Credentialing 33
Benefacts Newsletter and Newsflash 34
Telework 35
DoD Wellness Program 37
Post-Combat Case Coordinator 42
Injury and Unemployment Compensation (ICUC) Programs Synopsis and Mission 44
DoD FECA Program Metrics 44
ICUC 2017 Goals and Priorities 47
ICUC Claim Timeliness Analysis 49
ICUC Liaison Workload Analysis 50
ICUC Projected Cost Avoidance Analysis 51
ICUC Pipeline Reemployment Program 54
ICUC FECA Timeline 55
HR Significant Updates 65
Wage Synopsis and Mission 70
Wage 2017 Accomplishments and Impact 71
Wage Survey Industries 72
Wage Data Collection 73
Wage Special Pay Programs 76
Nonappropriated Fund (NAF) Personnel Policy Program Synopsis and Mission 78
NAF 2017 Program Highlights 79
NAF Health Benefits Plan 80
NAF Senior Executives and NAF Retirement Program 81
NAF Demographics and LER 82
NAF Initiatives and Accomplishments 83
2018 Benefits, Wage and NAF Policy (LOB) Way Ahead 84

Introduction

Greetings to all my fellow Human Resources practitioners! It has been another exciting year with lots of changes, and change is always good. We have lots to share with you, but before you dive in, I would like to share some very exciting news!

On June 19, 2017, the Defense Civilian Personnel Advisory Service (DCPAS) reorganized into the Line of Business (LOB) concept. This reorganization ensures that we can deliver the best possible civilian personnel policies and solutions by aligning similar work to achieve efficiencies. However, as always, DCPAS will continue to provide premier advisory and consultation services, training, and policy development, as well as operational services to support the Department of Defense (DoD) mission.

As part of the DCPAS reorganization, the Benefits and Work Life Programs Division (BWLPD) has partnered with the Nonappropriated Fund (NAF) Personnel Policy Division and the Wage and Salary Division. Our new organization, the Benefits, Wage, and NAF Policy LOB, is off to a fantastic start. We are a diverse team of functional experts charged with the responsibility to oversee benefits and work life programs, set special pay rates, as well as pay for all Federal Wage System (FWS) employees, and develop and administer DoD-wide appropriated and NAF policy covering a worldwide civilian workforce. As a team, our goal is to develop synergy as well as fulfill our mission to support the "Whole Person – Whole Career" model for each and every DoD employee.

The other exciting news is that we have fully launched the DoD Employee Benefits Advisor Credentialing Program. Participants will have the opportunity to earn DoD Employee Benefit Advisor (EBA) Credentials by enrolling and completing a three-tier DoD Human Resources EBA training program, consisting of Basic, Intermediate, and Advanced courses. Candidates must attend the three resident courses and complete the corresponding online examinations no later than 30 days after the end of the resident course. The EBA Credentialing Program was developed in accordance with the Office of Personnel Management's HR Competency Model and designed to ensure our DoD employees get the best possible benefits counseling.

Finally, the Benefits, Wage, and NAF Policy LOB will be hosting the first DoD Benefits & Work Life Symposium on June 11-15, 2018, at the Mark Center in Alexandria, Virginia. This three day multi-disciplinary symposium is the first of its kind and will offer several workshops and general sessions of interest on a biennial basis. The general sessions will provide information seminars in the areas of Benefits, Work Life, and Injury and Unemployment Compensation. The courses are designed to provide the level of expertise and collaboration needed to resolve some of the most complex benefits and work life, issues. We hope to see you there!

Taiwanna R. Smith
Director, Benefits, Wage, & NAF Policy
Line of Business (LOB)

Benefits, Wage, & NAF Policy LOB Synopsis and Mission

Introduction

We are a diverse, experienced team with the functional expertise needed to oversee benefits programs, provide training, set pay for all Federal Wage System (FWS) employees, and develop and administer DoD-wide appropriated and nonappropriated fund (NAF) policy covering a worldwide civilian workforce.

Benefits

Seasoned HR Specialists oversee the benefits portfolio, e.g., health, life and long-term care insurance, retirement, workers' compensation, unemployment compensation and work life. In addition, the Benefits team reviews pending legislative initiatives, and develops legislative proposals and policy for DoD on benefits specific issues. We also administer a comprehensive Benefits Credentialing Program which focuses on the interpretation and application of Federal laws, regulations, and DoD policy and practices within the Employee Benefits functional area.

Wage

We are an operational team that is hyper-focused on compensation for appropriated and NAF personnel. We conduct local prevailing rate wage surveys to set the pay for all Federal Wage System employees and for employees in the trade, craft, and labor occupations as well as DoD educators, civilian mariners, power generation employees, health care professionals, foreign national pay programs, and white collar/GS special rates programs. In addition, we provide technical support to OPM, Federal Prevailing Rate Advisory Committee (FPRAC), Foreign National Programs, Components, DCPAS Leadership, and Civilian Federal Agencies.

NAF Personnel Policy

We are the only DoD level office that develops and administers DoD-wide NAF HR personnel policies and programs. We provide advisory services to officials within and outside of DoD. We administer the DoD NAF portability of benefits policy for employee moves between NAF and APF positions or between APF and NAF positions. Additionally, we administer the NAF Health Benefits Program, which includes a self-insured medical benefits plan, a self-insured dental plan, and a stand-alone dental plan managed by a third party administrator - for more than 80,000 employees, retirees and dependents. The Secretary of Defense has broad administrative authority over most NAF personnel policy, in contrast with the APF benefits programs which are administered by OPM.

NOTE: 'DoD Totals' population numbers throughout this report reflect data as of the date the data was pulled from the Corporate Management Information System (CMIS).

WHOLE PERSON · WHOLE CAREER

BENEFITS • WAGE • NAF Policy

Our Service Sustains Your Service

Benefits and Work Life Programs

Benefits and Work Life Division Programs Synopsis and Mission

The goal of Benefits and Work Life Programs Division (BWLPD) is to ensure DoD Human Resources Specialists and employees possess the skills and resources necessary to navigate a vast assortment of complex benefits and work life related topics and issues. BWLPD continues a comprehensive effort to educate, provide guidance, and encourage the use of benefits and workplace flexibilities and programs that will empower the DoD workforce to effectively accomplish the mission by providing exceptional and efficient service while meeting family responsibilities and needs at home.

BWLPD is comprised of a team of expert benefits advisors prepared to provide guidance and strategic solutions to support the benefits programs outlined below:

Federal Employees Health Benefits (FEHB)

Federal Employees' Group Life Insurance (FEGLI)

Flexible Spending Account (FSA)

Federal Employees Dental and Vision Insurance Program (FEDVIP)

Retirement Programs

Thrift Savings Plan (TSP)

Financial Fitness

Work Life

Telework

Family Care and Support Programs

Federal Employees Health Benefits (FEHB) Program

The Federal Employees Health Benefits (FEHB) Program was established 58 years ago and it has become the largest employer-sponsored group health insurance program in the world. FEHB covers over eight million federal employees, retirees, former employees, family members, and former spouses. Employees are entitled to enroll themselves and their eligible family members in a plan that best meets their healthcare needs.

FEHB has over 200 health plan choices consisting of Consumer-Driven and High Deductible plans that offer catastrophic risk protection with higher deductibles, health savings/reimbursable accounts and lower premiums, or Nationwide Fee-for-Service (FFS) plans, and their Preferred Provider Organizations (PPOs), or Health Maintenance Organizations (HMO) offered within the area serviced by the plan. When employees meet certain requirements, they are eligible to continue group coverage under FEHB upon retirement.

In August 2017, OPM provided further guidance on FEHB enrollment eligibility for certain temporary, seasonal, and intermittent employees. Temporary, seasonal, and intermittent employees working or expected to work 130 hours per month or more for at least 90 days meet the requirements of full-time employment and are eligible to enroll. These employees were given the opportunity to participate in FEHB in January 2015. They now have the option of enrolling in FEHB coverage when their employment status changes (e.g. from temporary to fulltime) if they did not enroll in FEHB coverage at their first opportunity. This change is considered a qualifying life event (QLE) for employees.

FEHB Data Analysis

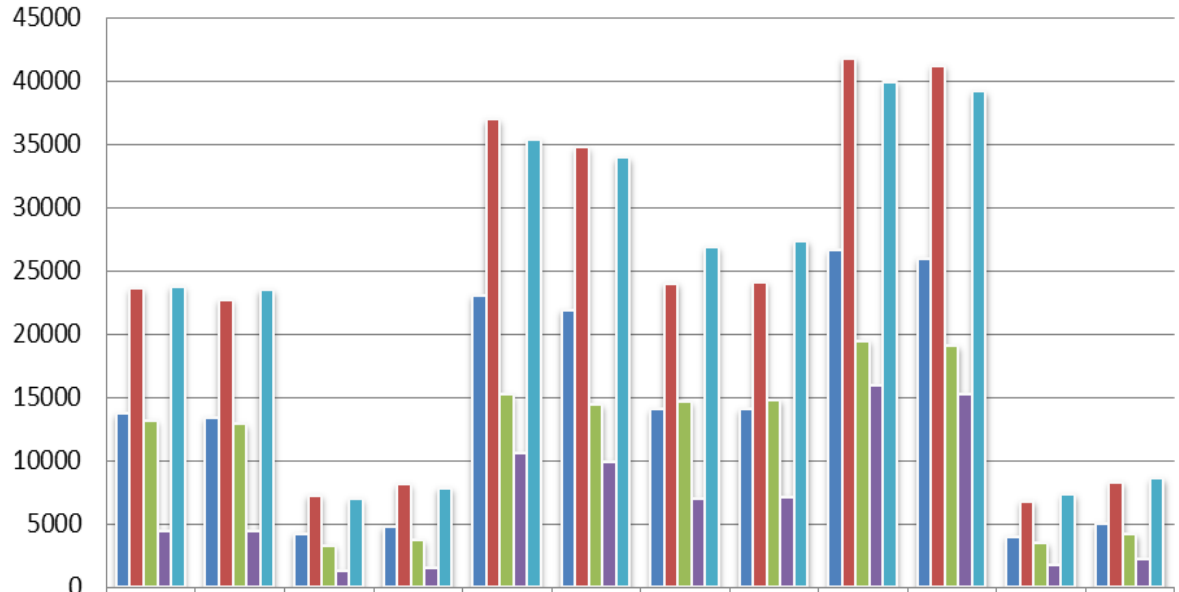
The tables below are a snapshot of FEHB enrollment throughout DoD for 2016 and 2017 calendar years and are based on data captured as of December 31, 2017.

2016- Enrolled vs Not Enrolled						
Component	Employees	Enrolled	Not Enrolled (Waived)	Pending Enrollment	Percent Enrolled	Percentage Not Enrolled
Air Force	148,220	85,720	60,616	1,884	58%	41%
Army	226,461	140,399	83,649	2,413	62%	37%
DoD Agencies	112,463	69,287	41,067	2,109	62%	37%
National Guard	58,015	40,966	15,871	1,178	71%	27%
Navy	207,817	140,204	66,038	1,575	67%	32%
Total	**752,976**	**476,576**	**267,241**	**9,159**		

2017- Enrolled vs Not Enrolled						
Component	Employees	Enrolled	Not Enrolled (Waived)	Pending Enrollment	Percent Enrolled	Percentage Not Enrolled
Air Force	147,266	85,145	61,127	994	56%	42%
Army	224,889	139,180	84,052	1,657	62%	37%
DoD Agencies	111,260	69,041	40,763	1,456	62%	37%
National Guard	58,808	40,469	17,254	1,085	69%	29%
Navy	207,921	140,283	66,300	1,338	68%	32%
Total	**750,144**	**474,118**	**269,496**	**6,530**		

FEHB Program

The chart outlines the total number of employees enrolled in FEHB per Health Plan Enrollment Option during the 2016 and 2017 calendar years. It is evident that the Self and Family (Low and High Options) continues to be the most elected type of enrollment option in 2017.

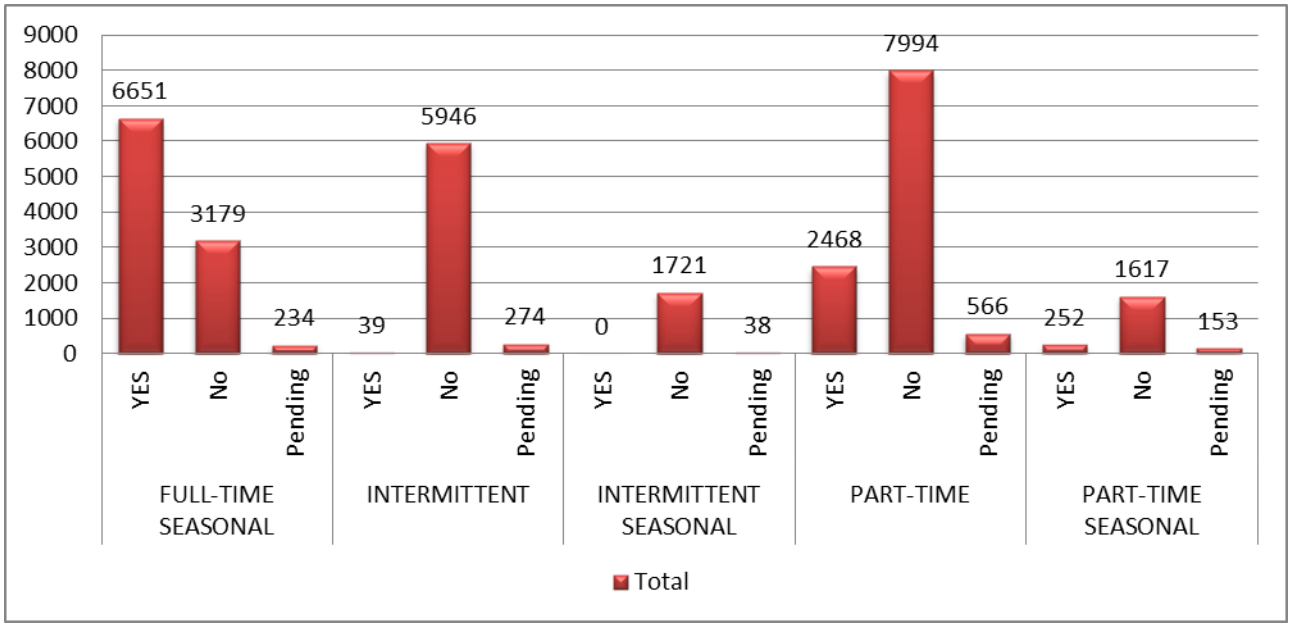


	Low Self Only		Low Self Plus One		Low Self/Family		High Self Only		High Self/Family		High Self Plus One	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Air Force	13709	13382	4260	4783	23052	21920	14063	14055	26592	25979	4028	5021
Army	23577	22728	7264	8135	36935	34722	24016	24074	41799	41212	6801	8307
DoD	13152	12875	3306	3693	15199	14448	14653	14804	19484	19053	3484	4165
National Guard	4467	4441	1245	1479	10603	9937	6995	7145	15942	15249	1704	2216
Navy	23751	23486	6963	7835	35384	33905	26857	27334	39927	39158	7311	8564

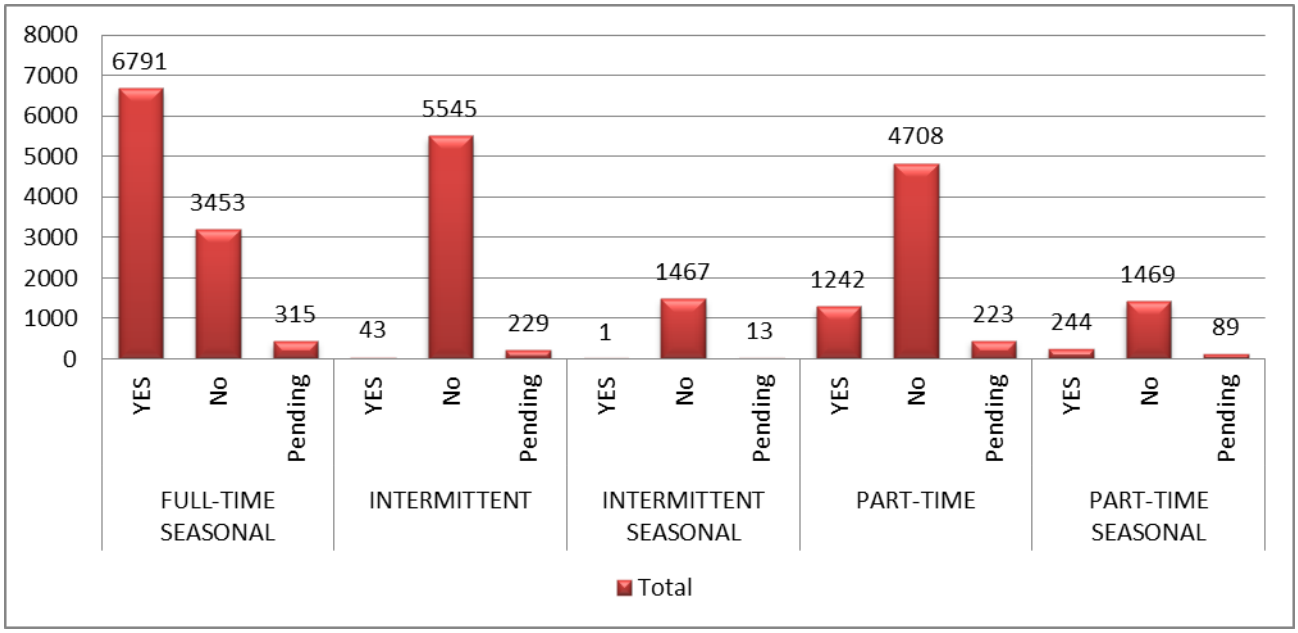
FEHB Program (cont.)

The charts below highlight the number of employees enrolled in FEHB based on their work schedules for both 2016 and 2017 calendar years. In 2015, the Affordable Care Act (ACA) expanded coverage for certain temporary, seasonal, and intermittent employees who met the eligibility requirements. Taking into consideration a slight decrease in employment population throughout DoD and a 17% decrease in part-time work schedule positions, there was a small increase in FEHB enrollment for those employees working intermittent and seasonal schedules from 2016 to 2017.

2016 FEHB Work Schedule Enrollments



2017 FEHB Work Schedule Enrollments



FEHB DoD Customer Profile

The customer profile below is a snapshot of FEHB's average enrollee based on the consolidation of all data collected on the FEHB program for the 2017 calendar year.

FEHB Customer Profile Data
Average Age of FEHB Enrollee
Average years of age of customer
48 years old
Average Age of Enrollee by Component
Average Age of enrollee per DoD Component
Air Force - 49 years old
Army - 50 years old
DoD Agencies - 48 years old
National Guard - 41 years old
Navy - 47 years old
Number of Enrollees by Component
Sum of enrollees per DoD Component
Air Force - 85,145
Army - 139,180
DoD Agencies - 69,041
National Guard - 40,469
Navy - 140,283
Most elected Health Plan Enrollment Plan
From Self Only, Self Plus One, or Self and Family options
Self and Family Plan
Provider most often selected
Health Plan chosen by enrollee
Aetna, Blue Cross Blue Shield, and GEHA

Federal Employees' Group Life Insurance (FEGLI)

Federal Employees' Group Life Insurance (FEGLI) offers term life insurance to eligible Federal Government employees. This benefit is often forgotten after a new employee initially enrolls. Exceptions for enrollment occur during Qualifying Life Events (QLE) such as marriage, birth or adoption.

If an employee notices a difference in their paycheck due to age category increases that occur every five years, they could reduce or eliminate FEGLI coverage.

FEGLI consists of Basic and Optional tiers of insurance that allow employees to acquire additional insurance in multiples up to five, and dependent coverage for a spouse and children up 22 years of age. The Basic insurance cost is shared by the Federal Government; employees pay two thirds of the premium total cost. Age does not affect the cost of the Basic insurance. However, optional and dependent insurance premiums are based on the employee's current age.

In 2016, OPM held a FEGLI Open Season from September 1, 2016 through September 30, 2016. During this time, eligible employees could increase their life insurance without a QLE or medical exam. The Open Season FEGLI elections became effective on the first full pay period on or after October 1, 2017. The one year delay was created to avoid adverse selection where employees elect increased coverage when there is a high probability that the insurance will become payable within a year.

Employees planning to retire before October 2022 will have to remember any Open Season FEGLI elections (Basic, Optional and Family coverage) require the employee to be enrolled five years prior to retirement in order to continue their elected coverage into retirement.

OPM issued Benefits Administration Letter (BAL) 17-202 during the 2017 calendar year explaining the FEGLI Open Season. It provides information and specific guidance about elections that occurred during the FEGLI Open Season.

The data outlined on the next few pages provides a snapshot of the Department's overall enrollment status as of December 31, 2016 and 2017. The various combinations of optional insurance available to employees are rolled into one group. The total enrolled and waived is provided to show the enrollment status and percentages for comparison purposes.

FEGLI (cont.)

2016 FEGLI DATA					
		Employees not Eligible			
Component	Total Employees	Coverage not Offered	12 Months in LWOP	Waiving Coverage	Employees Eligible to Enroll
Air Force	148,518	688	58	12,497	147,772
Army	226,957	3,552	735	15,684	222,670
DoD Agencies	112,911	5,173	32	8,934	107,706
National Guard	58,288	5,250	437	10,978	52,601
Navy	208,918	805	2,442	15,149	205,671
Total	755,592	15,468	3,704	63,247	736,420*

*The total number of employees eligible to enroll in FEGLI is represented by subtracting employees ineligible by law or regulation, and the number of employees excluded by being in a non-pay status for 12 months. Also subtracted are those who waived coverage. The total result is 736,420. This year was an exception as it was an Open Season for FEGLI, thus presenting an option for all employees in a waived status to elect coverage. This increased the total of those with an option to enroll by 63,247.

FEGLI (cont.)

2016 FEGLI DATA						
Component	Total of Employees Eligible to Enroll	Enrolled Basic Only	Optional Insurance	Percent of Eligible Enrolled	Waived	Percent Waived
Air Force	147,772	78,193	57,083	91.54%	12,497	8.46%
Army	222,670	116,181	90,794	92.30%	15,684	7.04%
DoD Agencies	107,706	57,193	41,579	91.71%	8,934	8.30%
National Guard	52,601	29,225	10,571	75.66%	10,978	20.09%
Navy	205,671	112,789	79,736	93.61%	15,149	7.37%
Total	736,420	393,581	279,763	91.43%	63,247	8.59%

Note: The total number of eligible employees represents the total workforce by agency eligible to elect FEGLI. The difference between the total number of employees by agency and the total enrollments waived yields the percent of eligible employees enrolled and the percent waiving coverage. In 2016, 8.59% of the DoD workforce waived coverage.

FEGLI (cont.)

2017 FEGLI DATA					
		Employees not Eligible			
Component	Total Employees	Coverage not Offered	12 Months in LWOP	Waived	Employees Eligible to Enroll
Air Force	147,266	537	71	11,516	146,658
Army	224,889	3,316	1025	13,596	220,548
DoD Agencies	111,260	4,525	68	7,709	106,667
National Guard	58,808	5,916	1192	10,110	51,700
Navy	207,921	738	513	13,336	206,670
Total	750,144	15,032	2,869	56,267	732,243*

*The total number of employees eligible to enroll in FEGLI is represented by subtracting employees ineligible by law or regulation (listed as not offered coverage), and the number of employees excluded by being in a non-pay status for 12 months. The remaining result is 732,243 employees. This year was an exception as it was a year that elections from the 2016 Open Season became effective on October 1, 2017, thus increasing the numbers of employees receiving coverage.

The total number of eligible employees who enrolled in FEGLI in 2016 was 736,420. This is greater than the total number of eligible employees (732,243) who enrolled in 2017. This represents a decrease in enrollment of 4,177 personnel. Even with a decrease of overall eligible employees from 2016 to 2017, the net result in FEGLI elections from an eligible population in 2017 increased by 5.49% from 2016. This is because during the 2017 FEGLI Open Season, many employees took advantage of obtaining coverage. The number of employees waiving FEGLI coverage decreased by 6,980 in 2017. These totals reflect that many employees who had previously waived coverage, elected to enroll during the Open Season.

Note: Data is reflected as of December 31, 2017.

FEGLI (cont.)

2017 FEGLI DATA						
Component Employees	Total of Employees	Enrolled Basic Only	Optional Insurance	Percent Enrolled	Waived	Percent Waived
Air Force	146,658	78,471	56,331	92.12%	11,516	7.85%
Army	220,548	115,931	93,506	95.06%	13,596	6.16%
DoD Agencies	106,667	56,665	45,383	96.29%	7,709	7.23%
National Guard	51,700	29,840	17,471	91.52%	10,110	19.56%
Navy	206,670	114,015	79,199	93.52%	13,336	6.45%
Total	732,243	395,192	314,523	96.92%	56,267	7.7%

In this year's data analysis we have subtracted employees not eligible for FEGLI, as well as those in a 12 month duty status. The result is a reduction of 17,901 employees from the total DoD population of 750,144, leaving an eligible population of 732,243 during the 2017 year.

This change allows for a more accurate count of employees that were truly eligible during the year, or gained coverage due to 2016 elections becoming effective in 2017. As a result, there was an increase from a 2016 enrollment rate from 91.43% in 2016 to 96.92% in 2017 (+5.49%) and a decrease of employees waiving FEGLI coverage from 8.59% in 2016 to 7.7% in 2017.

Despite decrease in employees by 5,448 in 2017, the number of FELGI enrollments increased by 4,177.

Note: Data is reflected as of December 31, 2017.

FEGLI (cont.)

The total number of death claims was greater in 2017 than in 2016, resulting in an increase in payment of $5,354,382 in claims. In addition, in 2017,the number of FEGLI claims increased by 9 deaths representing a 1.89% increase from the numbers in 2016, based on per capita populations. The average payout per claim jumped from $48,297 to $55,056 in 2017, thus increasing payments by $6,759.

Calendar Year	Total Enrollments	Claim Count	Percentage Change of Claims
2016	737,884	476	
2017	732,243	485	1.89% Increase
The claims per 1,000 enrollments increased form .65 in 2016 to .66 claims per 1,000 in 2017.			

Total Paid in 2016	Number of Claims	Average Per Clam	Number of Checks issued
$32,359,367	476	$48,297	670
Total Paid in 2017	**Number of Claims**	**Average Per Claim**	**Number of Checks issued**
$37,713,749	485	$55,056	685

FEGLI End of Year Summary

Components	Total Employees	Employee Eligible to Enrolled	Enrolled in Basic Only	Optional Insurance	Percent Enrolled	Waived	Percent Waived
Total as of 12/31/2016	755,592	736,420	393,581	279,763	91.43%	63,242	8.59%
Total as of 12/18/2017	750,144	732,243	395,192	314,523	96.92%	56,267	7.7%
Change	(5,448)	(4,177)	1,611	34,760	5.49%	(6,975)	(0.89%)

The comparison of 2016 to 2017 FEGLI data shows that the FEGLI Open Season had a positive impact on employee enrollments in the Basic Option (+1,611) and the Optional Insurance elections that increased by 34,760. The percent of employees enrolled increased by 5.49% and the number of employees waiving coverage decreased by 6,975. This resulted in a decrease of 0.89% of employees who having waived FEGLI coverage in 2017.

The downsizing trend within the Department of Defense has resulted 5,488 fewer employees which resulted in 4,177 fewer eligible to enroll in FEGLI as compared to 2016 totals.

Note: The review and analysis presented in this report captures data as of December 31, 2017.

Appropriated Fund Retirement Programs

Civil Service Retirement System (CSRS)

- Effective August 1920.
- Provides a defined benefit.
- Designed as a contributory retirement system.
- Employees and their employing agency contribute 7% of pay.
- Additional annuity may be purchased through a voluntary contribution account.

CSRS Offset (CSRS and Federal Insurance Contributions Act (FICA) coverage)

- 1983 Social Security (SS) laws changed SS FICA coverage for most "new" Federal employees hired after December 31, 1983, or employees rehired after December 31, 1983, after a break in retirement coverage of one year.
- August 1, 1987, Congress created the CSRS Offset System.
- CSRS Offset generally applies to employees who had a break in Federal service after 1983 that lasted longer than one year and had at least five years of civilian service as of January 1, 1987. It also applies to employees who were hired into a civilian job before 1984, but did not acquire retirement coverage until after 1984 and has at least five years of service as of January 1, 1987.

Federal Employees Retirement System (FERS)

- Congress created FERS in 1986, and it became effective on January 1, 1987.
- A retirement plan designed to provide benefits from three different sources:
    1. Basic Benefit Plan (Annuity)
    2. Social Security
    3. Thrift Savings Plan (TSP)

Federal Employees Retirement System Revised Annuity Employee (FERS-RAE)

- Effective January 1, 2013, Public Law (P.L.) 112-96 established FERS-RAE.
- Impacts new employees hired after January 1, 2013.
- Employees pay 3.1% of salary toward retirement benefits.
- Members of Congress and Congressional employees accrue retirement benefits at the same rate as regular employees under this public law.

Federal Employees Retirement System-Further Revised Annuity Employee (FERS-FRAE)

- Impacts employees hired after December 31, 2013, who are not excluded from FERS coverage.
- The Bipartisan Budget Act of 2013, Section 401 signed into law December 26, 2013
- Employees pay 4.4% of salary toward retirement benefits.
- Members of Congress and Congressional employees accrue retirement benefits at the same rate as regular employees under this public law.

Appropriated Fund Retirement System Status

The charts below identify the number of DoD employees within the Federal retirement system as of December 2015, October 2016 and December 2017. The total number of employees within the DoD workforce assigned to an appropriated retirement system from 2016 to 2017 decreased by less than 1%. The FERS-FRAE category has increased and represents new employees and rehires with less than five years of creditable service under FERS or CSRS. CSRS continues to decrease as expected due to aging and life changes such as illness and death.

2015-2017 Retirement System Status

Retirement System	2015	2016	2017
CSRS	40,210	33,335	26,619
FERS	570,2222	544,593	512,825
FERS-RAE	23,834	22,799	21,384
FERS-FRAE	94,207	135,100	171,852
Totals	728,473	735,827	732,680

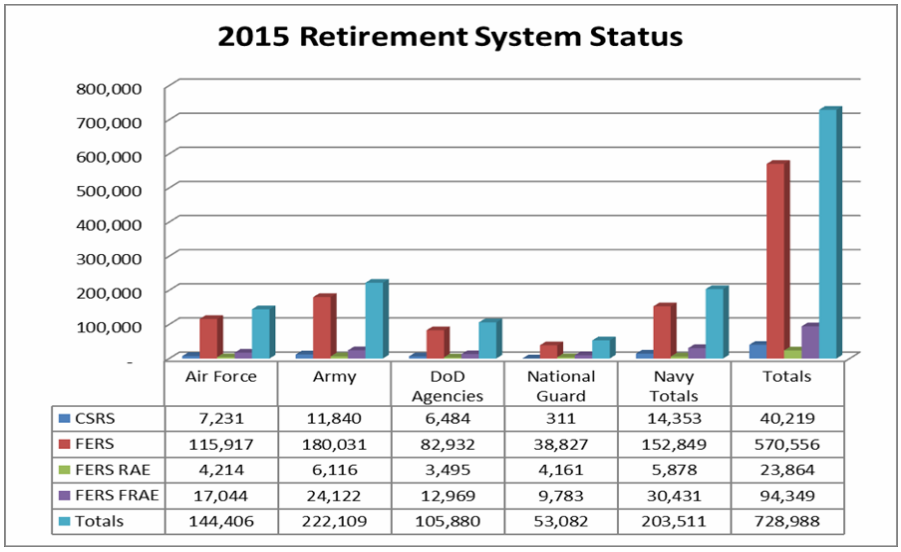
Comparison of Workforce Age Groups Within Each Retirement Type

In 2017, DoD experienced a decrease in employees ages 40-49 and 50-59 . The decrease is concentrated more in the 40-49 and the 50-59 age groups. The decrease in ages 50-59 mostly likely represents separations due to retirements, particularly within CSRS and FERS retirement systems. New employees entering the Federal workforce account from the increase in the FERS-RAE and FERS-FRAE retirement systems.

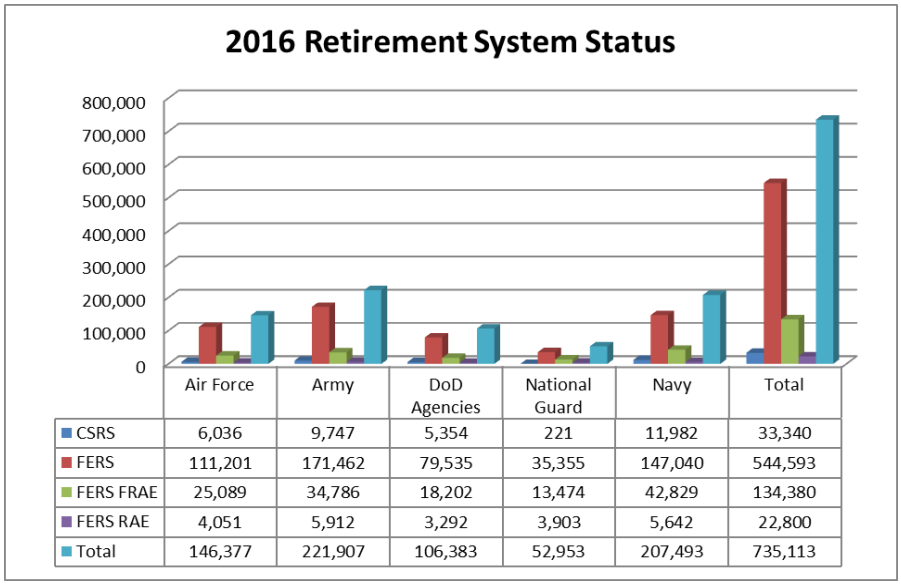
2017 Retirement Types by Age Groups					
Age Groups	CSRS	FERS	FERS-RAE	FERS-FRAE	TOTALS
16-19	0	0	1	465	466
20-29	1	9,067	3,000	42,735	54,803
30-39	2	98,289	7,593	56,043	161,927
40-49	4	124,512	5,722	41,924	172,162
50-59	10,790	206,322	4,082	25,732	246,926
60-69	13,769	70,093	932	4,713	89,507
70 Plus	2,053	4,542	54	240	6,889
Totals	26,619	512,825	21,384	171,852	732,680

2016 Retirement Types by Age Groups					
Age Groups	CSRS	FERS	FERS-RAE	FERS-FRAE	TOTALS
16-19	0	0	0	425	425
20-29	0	15,958	4,080	36,049	56,087
30-39	0	109,165	8,058	43,327	160,550
40-49	7	135,346	5,941	33,121	174,415
50-59	15,937	213,240	3,891	18,953	252,021
60-69	15,401	66,863	792	3,089	86,145
70 Plus	1,990	4,021	37	136	6,184
Totals	33,335	544,593	22,799	135,100	735,827

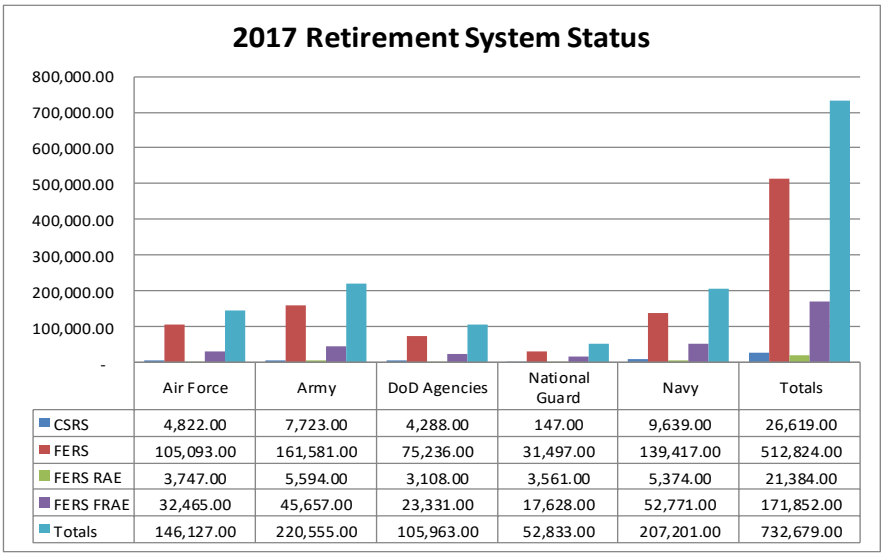
Retirement System Status



	Air Force	Army	DoD Agencies	National Guard	Navy Totals	Totals
CSRS	7,231	11,840	6,484	311	14,353	40,219
FERS	115,917	180,031	82,932	38,827	152,849	570,556
FERS RAE	4,214	6,116	3,495	4,161	5,878	23,864
FERS FRAE	17,044	24,122	12,969	9,783	30,431	94,349
Totals	144,406	222,109	105,880	53,082	203,511	728,988



	Air Force	Army	DoD Agencies	National Guard	Navy	Total
CSRS	6,036	9,747	5,354	221	11,982	33,340
FERS	111,201	171,462	79,535	35,355	147,040	544,593
FERS FRAE	25,089	34,786	18,202	13,474	42,829	134,380
FERS RAE	4,051	5,912	3,292	3,903	5,642	22,800
Total	146,377	221,907	106,383	52,953	207,493	735,113



	Air Force	Army	DoD Agencies	National Guard	Navy	Totals
CSRS	4,822.00	7,723.00	4,288.00	147.00	9,639.00	26,619.00
FERS	105,093.00	161,581.00	75,236.00	31,497.00	139,417.00	512,824.00
FERS RAE	3,747.00	5,594.00	3,108.00	3,561.00	5,374.00	21,384.00
FERS FRAE	32,465.00	45,657.00	23,331.00	17,628.00	52,771.00	171,852.00
Totals	146,127.00	220,555.00	105,963.00	52,833.00	207,201.00	732,679.00

The charts on this page outline the total DoD workforce as of December 31, 2017. The types of retirement systems are shown with the total number of employees within each retirement system category. Each system is further broken down by Component or DoD Agency.

The number of CSRS employees has steadily decreased each year between 2015 and 2017. There is an increase of the FERS-FRAE and FERS-RAE employees due to newly hired employees and rehires with less than five years of FERS service time.

Note: FICA and Other appointment categories are excluded from the total number of employees shown in the retirement systems charts.

2017 Retirement Actions

During calendar year 2017, the total number of retirement actions processed was 22,904. The chart below outlines the total number of retirement actions within the voluntary, voluntary early retirement authority (VERA) and other retirement categories. The other retirement categories include mandatory, disability and voluntary retirement in lieu of involuntary action (ILIA).

The largest group of retirees amongst FERS employees are referred to as 'baby-boomers' (persons born between 1946—1964 and between ages 53 and 71 in 2017). By the year 2029, all baby-boomers will be 65 years of age or older.

Within DoD, employees ages 55 to 64 represent two-thirds (66.12%) of the total population that retired in 2017. Those 65 and older represented one-third (30.98%) of the total population that retired in 2017.

The FERS age group between 55 and 64 represents 47.60% of the total populations that retired in 2017 and is an increase from 42.84% in 2016. The CSRS age group between 55 and 64 represents 18.37% in 2017, a decrease from 23.14% in 2016.

FERS employees ages 65 and older represent 23.21% of the total population that retired in 2017. This is an increase from 21.48% in 2016. CSRS employees ages 65 and older age group represent 7.69% of the total population that retired in 2017, a decrease from 8.80% in 2016.

A total of 329 employees retired under Voluntary Early Retirement Authority (VERA) was 329 in 2017, 296 were FERS employees and 33 were CSRS employees.

	Age 54 & younger		Age 55-64		Age 65 & older		Total Population	
	Numbers	Percent	Numbers	Percent	Numbers	Percent	Numbers	Percent
CSRS	26	0.11%	4,208	18.37%	1,760	7.69%	5,994	26.17%
FERS	636	2.78%	10,903	47.60%	5,317	23.21%	16,856	73.59%
Other	2	0.01%	34	0.15%	18	0.08%	54	0.24%
Total	**664**	**2.90%**	**15,145**	**66.12%**	**7,095**	**30.98%**	**22,904**	**100.00 %**

2017 Retirement Actions by Retirement Types

Retirement Plan	CSRS			FERS and FICA			FERS-RAE			FERS-FRAE			Other			Total Retirements
Types of Retirement	Volun-tary	***VERA***	Other	Volun-tary	***VERA***	Other	Volun-tary	***VERA***	Other	Volun-tary	***VERA***	Other	Volun-tary	***VERA***	Other	
Air Force	1,047	*0*	5	3,199		301	2		2	2		0	9			**4,567**
Army	1,732	*24*	9	5,185	*160*	301	5		3	9		1	27		1	**7,457**
DoD Agencies	981	*3*	8	2,671	*71*	84	1		3	2		0	11			**3,835**
National Guard	50	*0*	14	276	*1*	244						1				**586**
Navy	2,114	*6*	1	4,087	*64*	171			2	4		4	6			**6,459**
Grand Total	**5,924**	***33***	**37**	**15,418**	***296***	**1,101**	**8**	***0***	**10**	**17**	***0***	**6**	**53**	***0***	**1**	**22,904**

Phased Retirement Projection of Potentially Eligible Employees

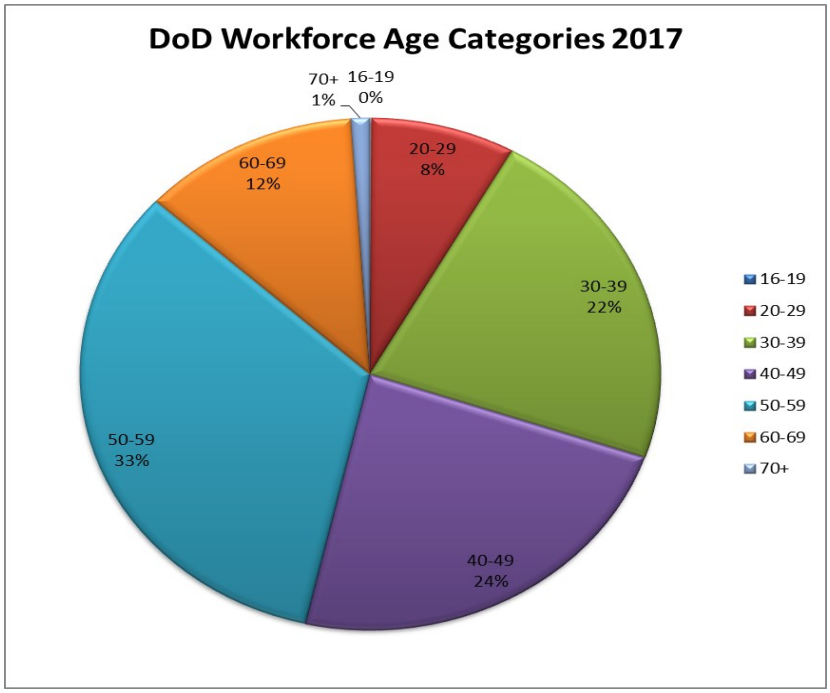
Phased Retirement is an option available to Federal employees who have obtained eligibility for voluntary retirement after reaching at least age 55 with 30 years of service or age 60 with 20 years of service. This retirement option allows full-time employees to work part-time schedules while beginning to draw retirement benefits. This option also provides management the opportunity to offer mentoring for employees and to maintain years of institutional knowledge and experience that otherwise would be lost.

The current data shows a total of 20,981 eligible employees, representing an approximate 22% decrease from last year. This may be a result of employees transferring to other agencies, early retirement or other life changes.

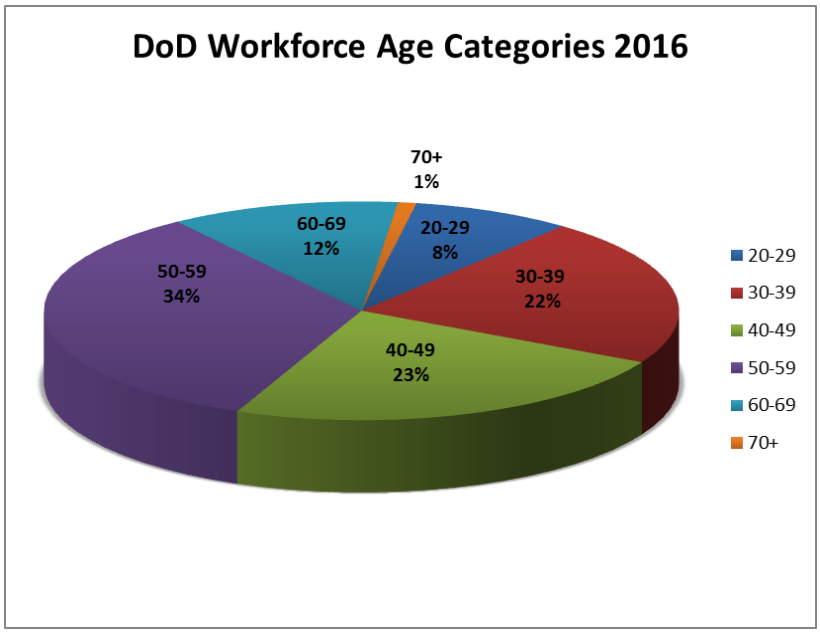
Component & Retirement Systems	Total Work Force & Retiree Eligible 12/30/2017
Air Force	**147,266**
CSRS	1,046
FERS	3,122
Total	4,168
Army	**224,889**
CSRS	1,726
FERS	5,061
Total	6,789
DoD Agencies	**111,260**
CSRS	980
FERS	2,653
Total	3,633
National Guard	**58,808**
CSRS	50
FERS	269
Total	319
Navy	**207,921**
CSRS	2,112
FERS	3,960
Total	6,072
Total Eligible	**20,981**
Total Workforce	**750,144**

DoD Workforce Age Categories

Age	2017 Totals
16-19	709
20-29	60,382
30-39	165,920
40-49	174,911
50-59	249,214
60-69	91,190
70+	7,818
Total	750,144



Age	2016 Totals
20-29	61,333
30-39	164,877
40-49	177,647
50-59	254,172
60-69	88,124
70+	7,087
Total	753,909



While the total workforce decreased by 3,765 employees, the DoD workforce data revealed that the 50-59 age group continued to remain the largest age group within the workforce for both 2016 and 2017. The data also revealed that there was a decrease in the 20-29 and 40-49 age groups and an increase within the 30-39, 60-69 and 70+ groups.

Thrift Savings Plan (TSP)

The TSP is a retirement savings and investment plan similar to private industry 401(k) plans. Designed for Federal employees to save toward their future retirement, TSP allows participants to make traditional (before-tax) and Roth (after-tax) payroll contributions. It is an integral part of the three-tiered retirement program for FERS, FERS-RAE and FERS-FRAE employees.

FERS employees receive an automatic 1% agency contributions and matching contributions of up to 5% of their basic pay. In an effort to increase TSP participation, new Federal employees and rehires are automatically enrolled in the TSP with a default contribution rate of 3%.

Temporary Change to TSP Financial Hardship Withdrawal Rules

During 2017, there were multiple instances in which the TSP amended Financial Hardship Withdrawal rules due to natural disasters. In each instance, eligible individuals were allowed to continue to receive the Agency Automatic 1% during the 6 months immediately after the withdrawal. Eligibility to make a Financial Hardship under amended rules are generally based upon the following factors:

The participant's primary residence or place of employment was located in a covered disaster area and a loss was incurred as a result of the named event

OR

The participant's hardship withdrawal was used to assist an eligible family member who lived or worked in a covered disaster area and who incurred a loss as a result of the event.

TSP (cont.)

The following chart provides a listing of each occasion in which the Financial Hardship withdrawal rules were modified to accommodate eligible TSP participants.

Disaster Event	Eligibility	Filing Dates	Announcement Date
Hurricane Matthew	Must reside, work, or have eligible family member in the affected area within North Carolina and South Carolina	The participant request must be **received in the TSP office** by March 8, 2017 **and** the distribution must occur before March 15, 2017	October 25, 2016
Hurricane Harvey	Must reside, work, or have eligible family member in the affected area within Louisiana and Texas	The participant request must be **received in the TSP office** by January 24, 2018 **and** the distribution must occur before January 31, 2018	September 1, 2017
Hurricane Irma	Must reside, work, or have eligible family member in the affected area within Alabama, Florida, Georgia, Puerto Rico, South Carolina, and the U.S. Virgin Islands	The participant request must be **received in the TSP office** by January 24, 2018 **and** the distribution must occur before January 31, 2018	September 13, 2017
Hurricane Maria	Must reside, work, or have eligible family member in the affected area within Puerto Rica and the U.S. Virgin Island	The participant request must be **received in the TSP office** by January 24, 2018 **and** the distribution must occur before January 31, 2018	October 4, 2017
The Recent Wildfires in California	Must reside, work, or have eligible family member in the covered disaster area within California	The participant request must be **received in the TSP office** by March 8, 2018 **and** the distribution must occur before March 15, 2018	November 6, 2017

Uniformed Service's Blended Retirement System and The Agency Automatic 1%

Under a proposed rule, the Federal Retirement Thrift Investment Board ("FRTIB") sought to amend Title 5 Code of Federal Regulations, Part 1605 to reduce the Agency Automatic Contributions to 1% for civilians called to Active Duty by the Uniformed Services. This proposed rule is a result of the new Blended Retirement System (BRS) created by National Defense Authorization Act for Fiscal Year 2016 which authorizes the Uniformed Services to pay the equivalent of 1% of monthly pay to the service member's TSP account. The rule would prevent a civilian employee from receiving both the Agency Automatic 1% and the Uniformed Services 1% while called up to Active Duty.

Change to the TSP-3 Election of Beneficiary Form

Effective May 15, 2017, all TSP-3 Election of Beneficiary forms will only require the signature of the participant and one witness. Prior to this change each TSP-3 form required the participant signature as well as the signature of two witnesses.

TSP Modernization Act of 2017

On November 12, 2017, H.R. 3031 was signed into law. Known as the TSP Modernization Act, it provides flexibility in making withdrawals from a Thrift Savings Plan account. Among its flexibilities, the law eliminates the limit on post-separation partial withdrawal from one to one or more withdrawals. It also allows for multiple age-based in-service withdrawals.

2017 TSP Contribution Status for DoD Civilians

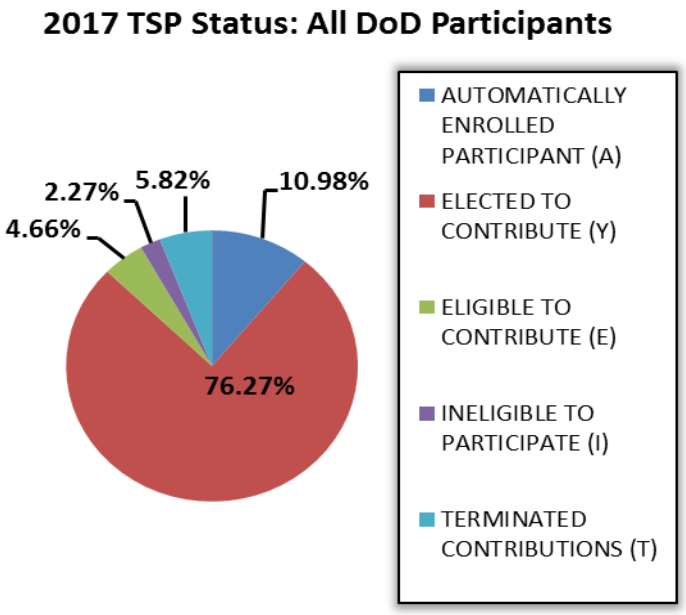
As of October 11, 2017, there were 745,378 civilian employees within the DoD who participated in TSP. Each civilian employee that participates in TSP has a TSP Status that details the person's contribution status (level of participation) within the program. Each status and its corresponding code is described below.

NOTE: FERS employees receive Agency Automatic (1%) Contributions even if they elect to terminate their contributions or are not eligible to make contributions as a result of receiving a financial hardship in-service withdrawal.

TSP Status	TSP Code	Description
Automatically Enrolled	**A**	CSRS and FERS employees automatically contributing 3% to TSP and receiving agency contributions
Elected to Contribute	**Y**	FERS and CSRS employees who elect to contribute to the TSP or elect to change automatic enrollment contributions
Eligible to Contribute	**E**	Eligible but did not elect to contribute
Ineligible to Contribute	**I**	Ineligible to participate in the TSP: Employees who are not eligible for the TSP but who were allowed to participate in the TSP in error
Terminated Contributions	**T**	FERS or CSRS employees who elect to terminate TSP contributions or are in a non-contribution period as a result of a financial hardship in-service withdrawal

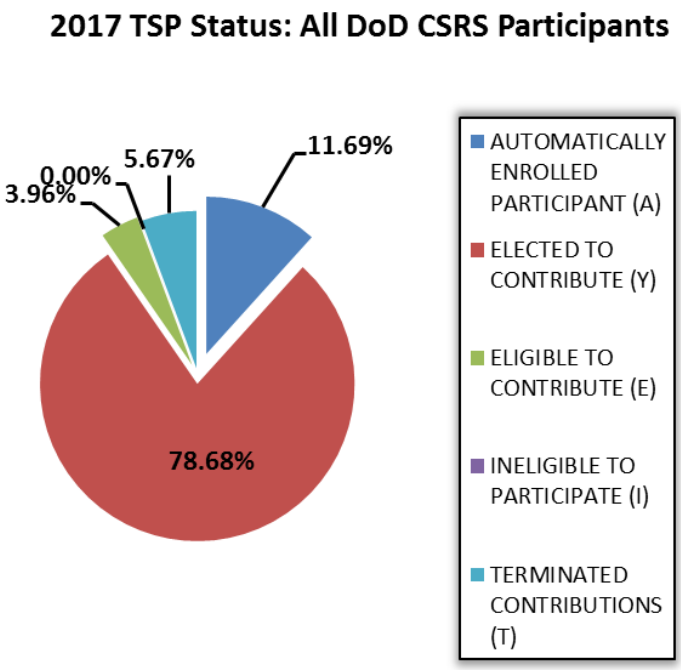
TSP (cont.)

The following data outlines the TSP contribution status of all DoD civilian employees. All DoD TSP civilian participants were reviewed as well as participants based on retirement coverage, Civil Service Retirement System (CSRS) or Federal Employees Retirement System (FERS):



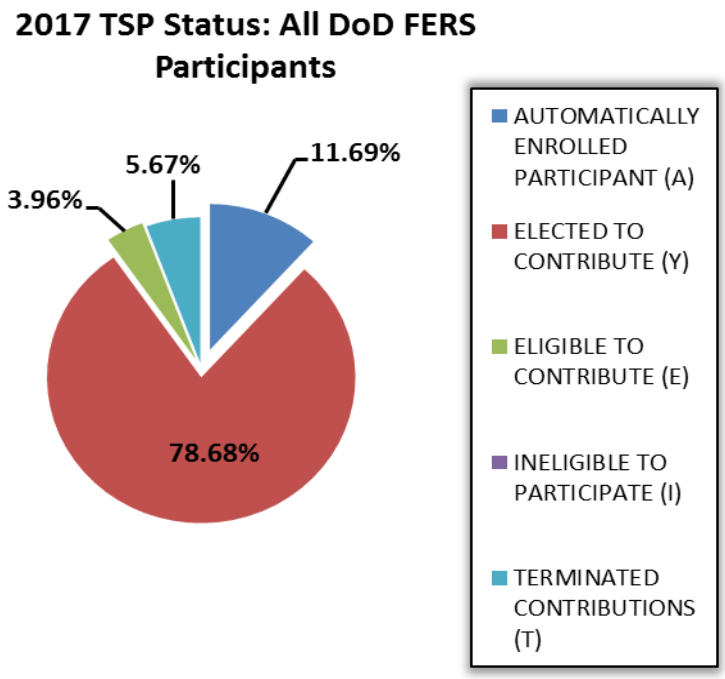
- 87.25% of DoD TSP were either automatically enrolled or elected to contribute.
- This is a percentage point increase of 0.5% when compared to 2016.

- 86.58% of DoD TSP elected to contribute.
- 0.66% of CSRS participants were automatically enrolled. Automatic enrollment impacts not only new hires, but rehires which would include CSRS employees (see Note below)
- Nearly a quarter of CSRS participants are eligible to contribute, but do not.



NOTE: Rehires are defined two ways. In TSP Bulletin 10-3, "rehire" applies only to participants who meet the break-in-service definition. For TSP purposes, a break in service is a break of more than 30 days. In TSP Bulletin 10-3, "rehire" applies to civilian employees who are rehired on or after September 5, 2015 and who have $0.00 balances in their TSP accounts from their previous period of employment.

TSP (cont.)



- 90.37% of FERS employees are actively contributing to their TSP account via automatic enrollment or election.
- From 2016 to 2017, there was a 1.50 percentage point increase in the number of FERS employees who elected to contribute to TSP.
- FERS-RAE and FERS-FRAE represent approximately 24% of the FERS TSP population.

Thrift Savings Plan DoD Participant Profile

A DoD TSP Participant profile was created providing general information about the DoD TSP population as of 31 October 2017. Each data element represents basic information collected from CMIS data.

TSP DoD Profile			
Category	Total	% of Total Population	This profile has general information based mainly upon data elements regarding age, population and contributions. By retirement systems, more than 94% of the DoD TSP Civilian population is in a variant of FERS (e.g. FERS, FERS-RAE, and FERS-FRAE). When looking at the average age of each variant of FERS, the average age for each is under 50; however, straight FERS, which constitutes the largest share of the overall FERS population, has an average age of 49.18. In addition, the largest population segment by age is 50 and over. Nearly 69% of the DoD TSP Civilian contributes to TSP via a percentage of pay. The average percentage of pay contributed is 6.96%. When broken into the respective age groups of 50 and over, 35-49, and 35 and under each age group averages more the 5% contribution; the percentage needed for full matching.
Total DoD TSP Population	746,088	100%	
CSRS (Avg. Age: 62)	30,067	4.03%	
FERS (Avg. Age: 49)	532,565	71.38%	
FERS-RAE (Avg. Age: 40)	22,198	2.98%	
FERS-FRAE (Avg. Age: 38)	143,374	19.22%	
50 and Over Population	351,372	47.10%	
35-49 Population	261,745	35.08%	
Under 35 Population	133,252	17.86%	
Army Population	223,708	31.32%	
Navy Population	206,373	27.66%	
Air Force Population	147,459	19.76%	
National Guard Population	57,806	7.75%	
DoD Agencies Population	111,023	14.88%	
Contributing A Dollar Amount	102,869	13.79%	
Average Dollar Amount	443.04	n/a	
Contributing A Percentage	513,866	68.87%	
Average Percentage	6.96	n/a	
Average Percentage (50 and Over)	8.32	n/a	
Average Percentage (35-49)	6.32	n/a	
Average Percentage (Under 35)	5.32	n/a	

Benefits Training and Credentialing

Benefits Training Program

The Training Program promotes proficiency within the HR Community and centers on the Employee Benefits Advisor (EBA) technical competency levels. These competencies and knowledge of HR concepts, principles, and practices are related to retirement, insurance, injury compensation, and other employee benefits programs, as prescribed in the HRM Competency Model. In the classroom setting, the participant is presented with realistic illustrations and course material developed to reinforce HR core and general competencies.

The BWLPD Training Program exceeded expectations with the delivery of 19 sessions of Benefits Training to over 400 DoD/Non-DoD HR professionals in a classroom setting with an average of 21+ attendees per session. The internal training produced over 24 weeks of "Train-the-Trainer", training consultations sessions covering DTS, FHR, NAF, and Excel. Additionally, the Injury Compensation training was presented to 246 Component Injury Compensation Program Administrators. Training included instruction on DIUCS, Pipeline, or Injury Compensation Beginner & Advanced training.

New Employee Benefits Advisor Credentialing Program

DCPAS has developed a DoD Employee Benefits Advisor (EBA) Credentialing Program that will help develop the technical competency for the Department's Employee Benefits Advisors. The program promotes and cultivates knowledge of HR concepts, principles, and practices related to retirement, insurance, injury compensation, and other employee benefits programs, as prescribed in the Office of Personnel Management's HRM Competency Model.

The BWLPD Training Team pilot tested DoD HR Employee Benefits Advisors (EBAs) from the Army Benefits Center and the Navy Civilian Benefits Center to measure HR competencies and proficiency levels in their knowledge of HR concepts, principles, and practices related to retirement, insurance, injury compensation, and other employee benefits programs. During pilot testing, employees from Army were split into (3) groups of 26 for testing purposes and the Navy tested in one group of 11. The testing for both Centers was conducted over the duration of 3 days, each group was a given the test for all 3 course levels and were allotted 2 ½ hours to complete each test. Feedback surveys were evaluated to determine the effectiveness the training and relevance of the test. An analysis of scores relative to experience levels was completed to identify and correct deficiencies. The formal program was launched this month. Thanks to all who provided input and feedback on the process.

Benefacts Newsletter and Newsflashes

The BENEFACTS newsletter, created in 2007, was established to provide human resources information to subscribers. In 2007, there were only ninety federal employees who received the BENEFACTS by email from the editor. A decade later, there are well over 1,600 subscribers who receive the newsletters by an automated newsletter system, ABSOLUTE.

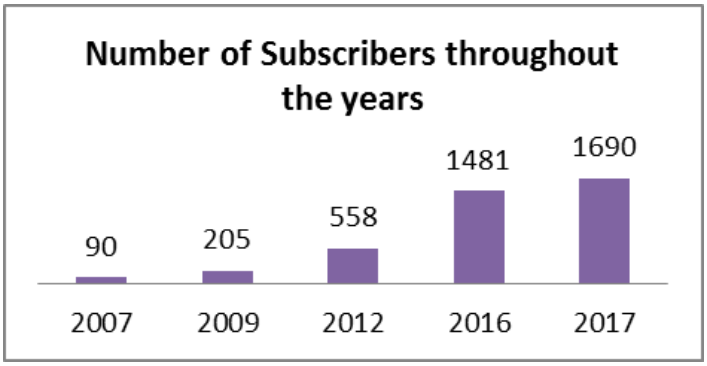
As the systems evolved, the information did as well. Historically, article subjects have included; employee benefits, work life programs, and injury and unemployment compensation. During the fourth quarter of 2017, with the change in how the Defense Civilian Personnel Advisory Service was aligned, the topics were expanded to include information pertaining to nonappropriated fund and Wage Grade employees as the Directorate changed to a Line of Business (LOB).

The three divisions consisting of: Benefits & Work Life, Nonappropriated Fund Personnel Policy, and Wage & Salary have merged to form the Benefits Wage and NAF Policy Line of Business (BWNP LOB). The overall vision and goal of the BWNP LOB is to develop DoD policy, provide technical advisory services and training to the Human Resources community. Additional BENEFACTS articles included within the edition pertained to Open Season for Nonappropriated Fund (NAF) employees, explanation of how the Wage and Salary Division advise on rate schedules for DoD Educators, civilian mariners, power generation employees, health care professionals, foreign national pay programs, and white collar employees. All articles are written by the subject matter experts from the entire LOB.

Initially, subscribers were limited to the DoD Benefit Officers and human resources personnel only. Currently, subscribers consist of DoD Benefit Officers, Federal Government Human Resources Generalists and Specialists, Benefits class participants, and other colleagues who have reviewed the newsletter and requested to become a subscriber. Benefits class participants are automatically enrolled to receive the publications, but others who would like to sign up must email their request to dodhra.mc-alex.dcpas.mbx.benefits-contacts@mail.mil. The chart below shows the increase of subscriber throughout the years.

Newsflashes were created in 2011, and are sent periodically to communicate time-sensitive information that require an action to the human resources community. In any given year, one to twenty newsflashes may occur. Newsflashes do not replace the BENEFACTS newsletter, but are considered supplements. During the last year, newsflashes addressed, “Financial Fitness” month, the Thrift Savings Plan move to Five Year Life Cycle Increments, and relief to employees regarding Thrift Savings withdrawals and allowances during the devastating hurricanes that affected many during the year.

Archived copies of both the BENEFACTS and Newsflashes may be accessed at https://dodhrinfo.cpms.osd.mil/Directorates/HROPS/Benefits-and-Worklife/Benefits-and-Entitlements/BENEFACTS-Newsletter/Pages/Home1.aspx
and https://dodhrinfo.cpms.osd.mil/Directorates/HROPS/Benefits-and-Worklife/Benefits-and-Entitlements/NewsFlash/Pages/Home1.aspx.



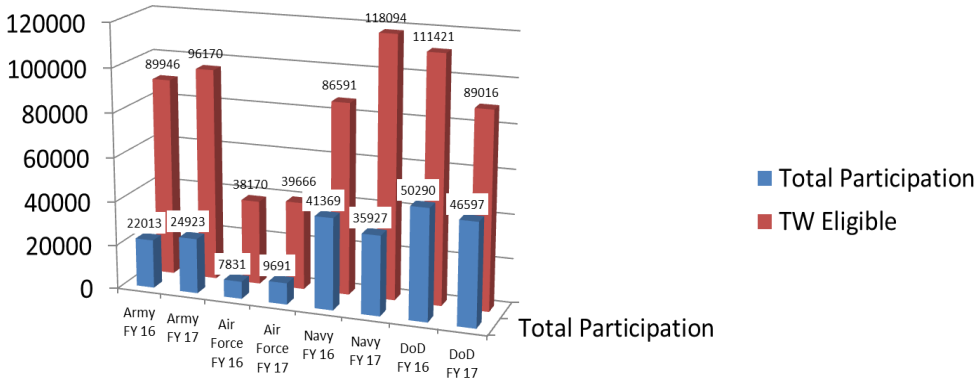
Telework

As a result of the "Telework Enhancement Act of 2010", Federal telework programs are established to meet agency mission and operational needs. Telework reduces real estate and energy costs; promotes management efficiencies; ensures Continuity of Operations due to severe weather and other emergencies; improves the quality of employee work life; and increases employment opportunities for persons with disabilities. Since 2010, more employees are participating in telework and managers of telework programs have begun to advance telework through increasingly sophisticated approaches to program development.

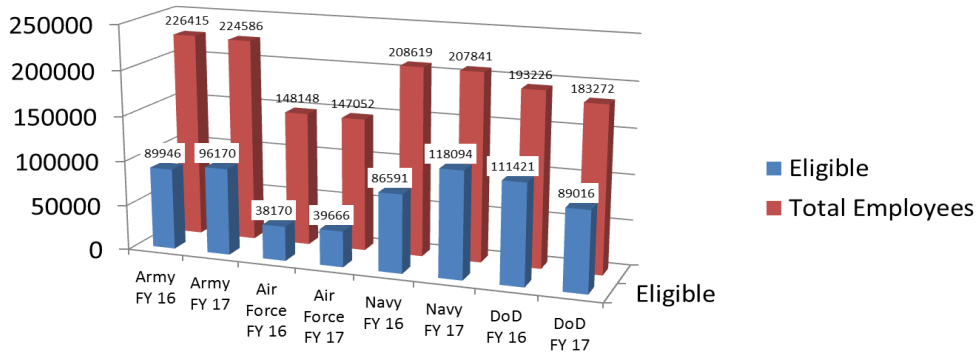
DoD Telework Working Group

The DoD Telework Working Group, chaired by the DCPAS Benefits and Work Life Programs and comprised of Component and Agency telework program coordinators, convenes periodically to discuss program management, issues, new guidance and collaborate on program promotion. As a result of the working group, we have made great strides in updating the DoD policy and revising the eligibility codes within the Defense Civilian Personnel Data System (DCPDS) data base and "My Biz +" to accurately capture the extent that the DoD work-force is participating in the telework program.

FY 2016-2017 Telework Participation



FY 2016-2017 Telework Eligible Positions



Telework (cont.)

	FY2016	FY2017
• Total DoD Population	755,592	762,751
• Telework Eligible Positions:	367,061	342,946
• Total Teleworkers	112,285	117,138

Participation (% of telework eligible): 34.15%

Telework Participation Rates:

– 3+ days per pay period:	19,203
– 1-2 days per pay period:	22,479
– Once per month or less:	3,645
– Situational:	95,215

**This report reflects fiscal year rather than annual.*

Telework Goal for Percentage of Eligible Employees Telework

2017 Results	2018 Goals
• Current participation: 34.15%	32%
• Current Situational: 27.76%	23%
• Current 1-2 days per PP: 6.55%	13%
• Current 3+ days per PP: 5.60%	8%

WELLCHECK 2016

WellCheck is a biennial online assessment offered to Federal agencies by the Office of Personnel Management (OPM) to help agencies advance worksite health and wellness programs. OPM encourages agencies to develop comprehensive wellness programs that encompass a variety of interventions tailored to meet the needs of the agency and its employees. The biennial WellCheck survey assesses over 100 wellness strategies and interventions of varying potential for impact from 16 health promotion sections that focus on leading causes of preventable death and major illness in the Unites States. The individualized results from the evidence-based tool helps agencies identify program opportunities and strengths, create goals and prioritize strategies to close program gaps, determine and implement actions steps, and evaluate progress to continually move forward in providing comprehensive and effective wellness programs. The OPM Department of Defense (DoD) WellCheck 2016 report, The Status of Worksite Health and Wellness Programs in the DoD, was released March 2017.

Key Findings:

- Three hundred and sixty-one worksites, representing 42 different Federal agencies, completed the WellCheck 2016 assessment between October 6, 2016, and November 18, 2016. Eighty-two DoD wellness worksites (from 13 DoD Components), representing 23% of total worksites, completed the survey. DoD's representation included: 25 Large agencies (1000 or more employees), 32 Medium agencies (100 to 999 employees), and 25 Small (less than 100 employees.)

- One additional DoD agency completed the survey, but was not included in the DoD report because they did not identify as a DoD agency. Including this one agency, 14 DoD agencies completed the 2016 WellCheck survey. Fifty-two percent (14/27) of the Components that participate in the DoD Wellness Coordinator Working Group completed the WellCheck 2016 survey.

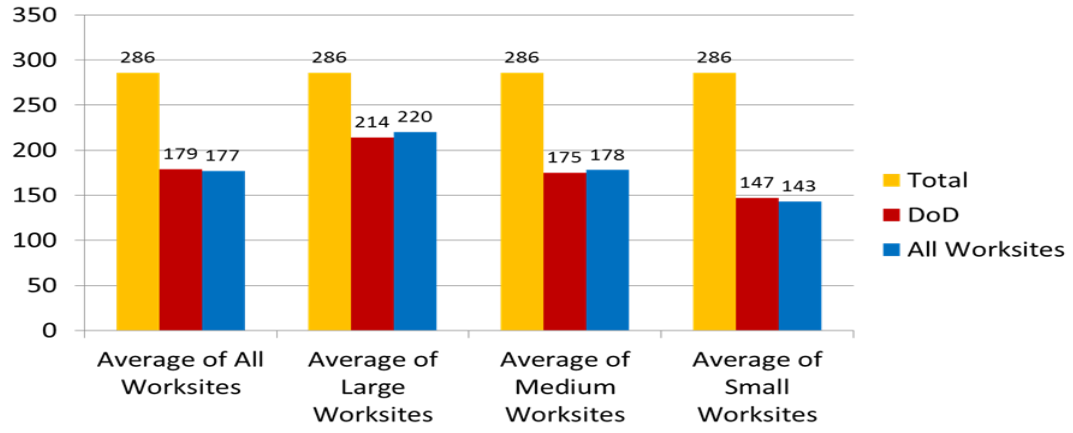
- Two DoD agencies, Navy Center for Information Warfare Training (Groton Site) and Defense Health Agency (National Capital Region Medical Directorate), ranked first (286/286) and sixth (273/286) respectively amongst the top ten scoring Federal agencies.

- Across the DoD enterprise, the health promotion sections that achieved the highest scores were Occupational Health and Safety (DoD averaging 83% of total points), Stress Management (78%), Tobacco Free Living (76%) and Vaccine-Preventable Diseases (75%). A higher percent of points scored indicates that the health promotion topic is being addressed more comprehensively and may have a greater impact on employee health.

- The health promotion sections that received a lower percent of points on average across the DoD spectrum were Nutrition (37%), Diabetes (49%), high Cholesterol (50%) and Lactation Support (50%). Of particular note, section 4207 of the Patient Protection and Affordable Care Act, referencing section 7 (r) of the Fair Labor Standards Act of 1938, requires and provides guidance for workplace accommodations for employees who are nursing mothers including providing a private space and providing reasonable break time. Sixteen percent of the DoD worksites completing the survey self-report that their worksite does not provide a private space for an employee to express breast milk and 20% of the DoD worksites completing the survey self-report that their worksite does not provide flexible scheduling, unpaid break times, and/or paid break times to allow mothers to express breast milk.

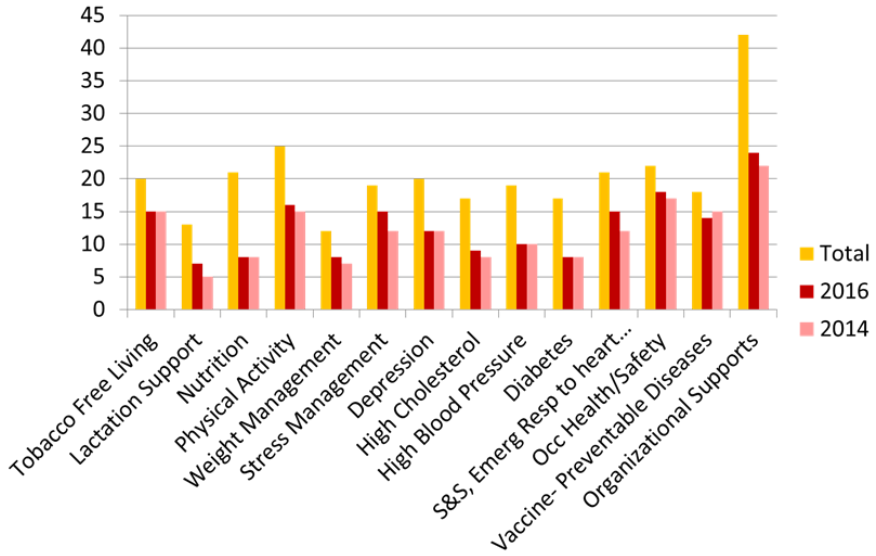
Recommendations:

- Seventy percent of the Components representing the DoD Wellness Coordinator Working Group will complete the WellCheck 2018 survey.
- Components should address program gaps identified by WellCheck survey results.
- Components should take steps to implement required strategies and prioritize high-impact strategies to close program gaps.

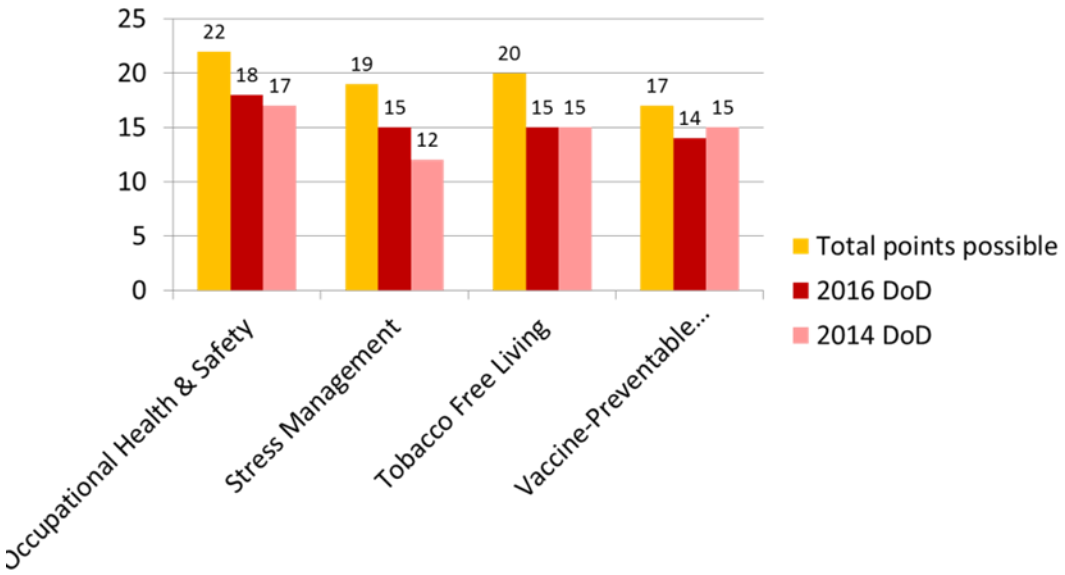


2016 WellCheck Average Total Scores

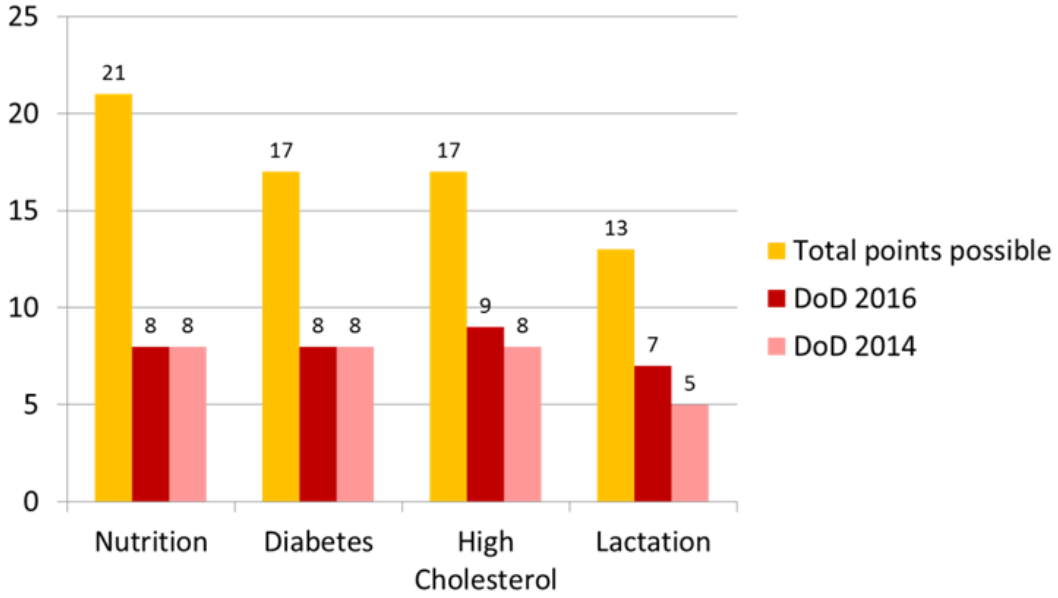
2016 vs 2014 WellCheck Scores by Category



2016 vs 2014 DoD WellCheck Strengths



2016 vs 2014 DoD WellCheck Opportunities

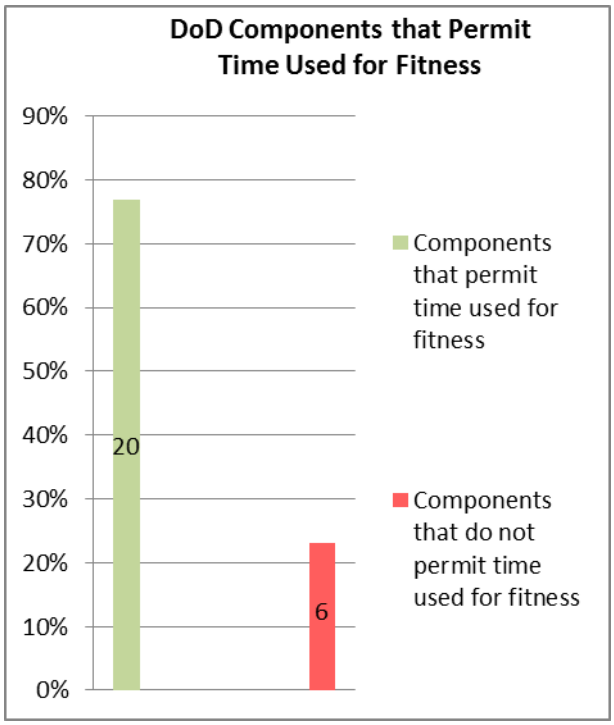


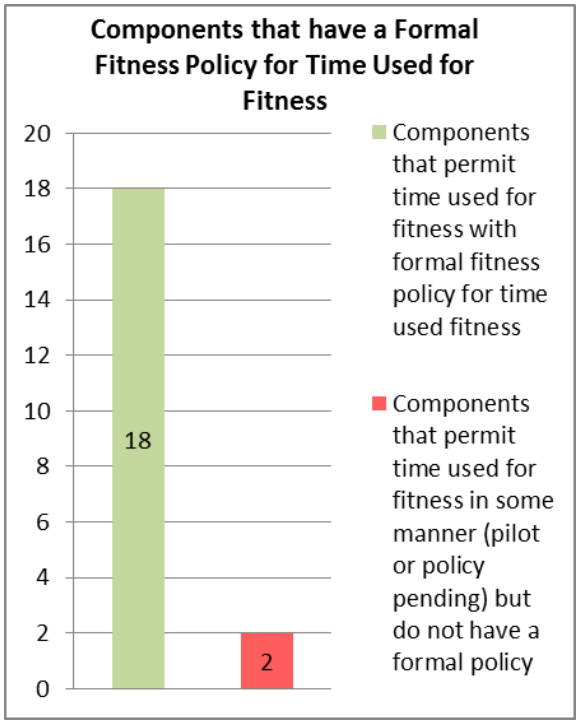
DoD Time Used for Fitness 2017 Data Call

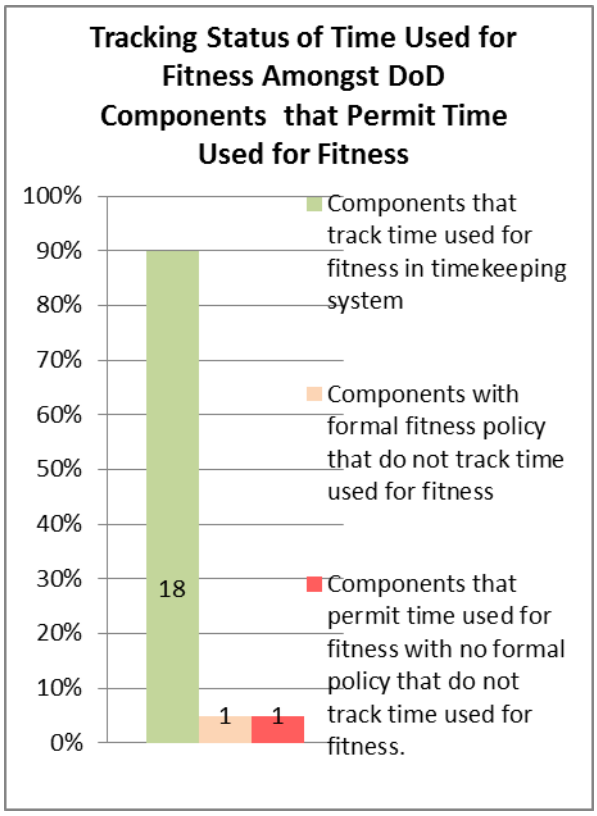
Title 5 U.S.C., Section 7901 permits the head of each agency of the Government of the United States to establish a health service program to promote and maintain the physical and mental fitness of employees under their jurisdiction. In accordance with this guidance and DoD Directive 1010.10, "Health Promotion and Disease/Injury Prevention," many DoD Components have a Civilian Fitness and Wellness Program (CFWP.) As individual Component CFWPs can vary, the DoD Time Used for Fitness 2017 Data Call provides metrics to assess the status of "time used for fitness" across the DoD Enterprise. Twenty-six of the twenty-seven DoD Components that participate in the DoD Wellness Coordinator Workgroup responded to the DoD Time Used for Fitness 2017 Data Call. Analysis of the data call results shows that 77% of the agencies that responded permit time used for fitness; and, of those agencies, 90% have a formal fitness policy that permits time used for fitness. Ten percent permit time used for fitness without a formal policy yet in place. Six Components, 23% of those who responded to the 2017 Data Call, do not permit time used for fitness. Ninety-five percent of the Components that permit time used for fitness each per week. Ninety percent of Components that permit time used for fitness, track in a timekeeping system. Of those that track, only 67% code or specify for fitness or wellness.

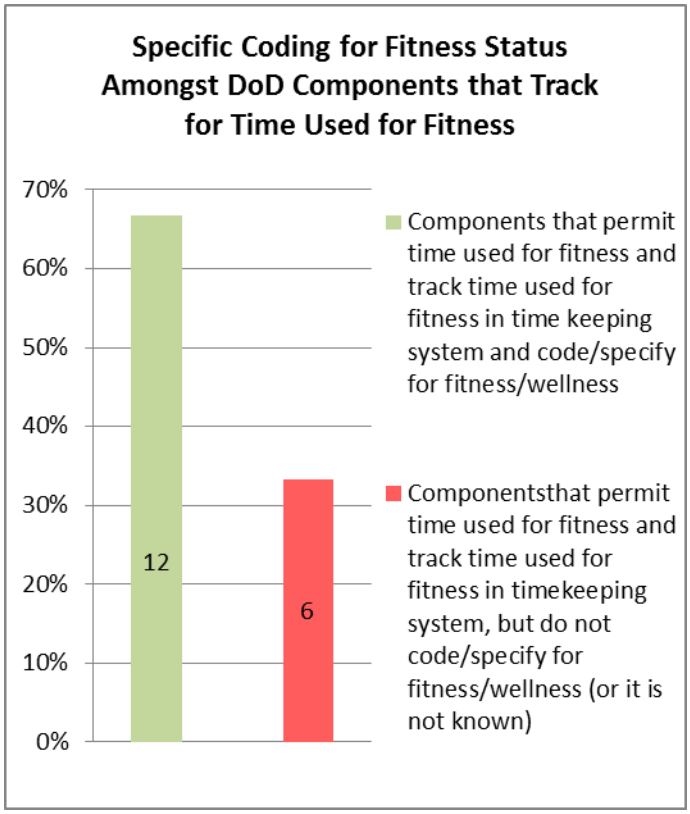
Recommendations for DoD Goals:

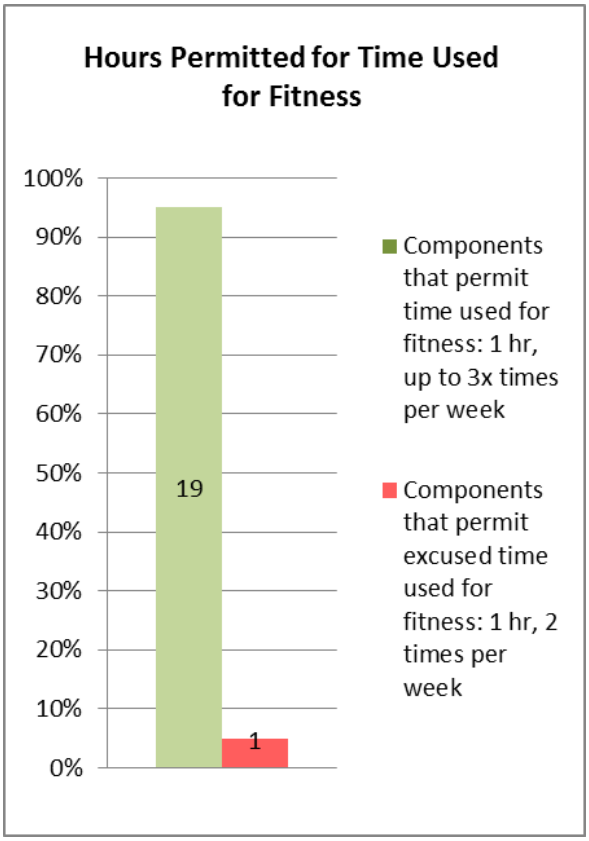
1. 100% of DoD Components that permit time used for fitness should track time used for fitness.
2. Components should pursue specific companion coding for fitness in timekeeping system. Specific coding allows distinction from other reasons that are granted for administrative leave. Components can generate a report to determine effectiveness of wellness program.
3. Components that are pursuing developing a fitness policy, as authorized by 5 USC 7901, should review available existing policies (from other 16 DoD Components) for guidance.

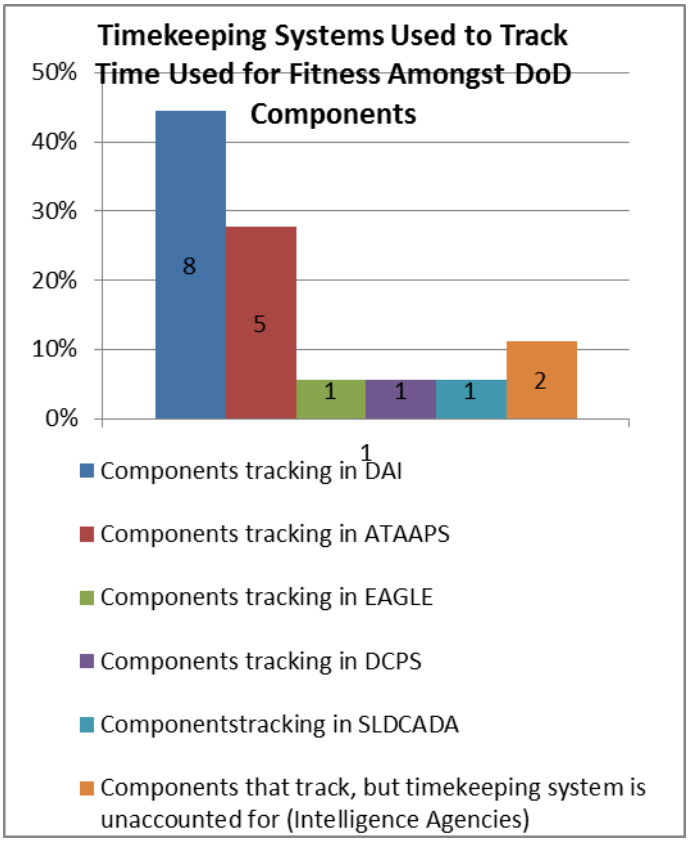





Tracking Status of Time Used for Fitness Amongst DoD Components that Permit Time Used for Fitness
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
18
1
1
Components that track time used for fitness in timekeeping system
Components with formal fitness policy that do not track time used for fitness
Components that permit time used for fitness with no formal policy that do not track time used for fitness.


Specific Coding for Fitness Status Amongst DoD Components that Track for Time Used for Fitness
70%
60%
50%
40%
30%
20%
10%
0%
12
6
Components that permit time used for fitness and track time used for fitness in time keeping system and code/specify for fitness/wellness
Componentsthat permit time used for fitness and track time used for fitness in timekeeping system, but do not code/specify for fitness/wellness (or it is not known)


Hours Permitted for Time Used for Fitness
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
19
1
Components that permit time used for fitness: 1 hr, up to 3x times per week
Components that permit excused time used for fitness: 1 hr, 2 times per week


Timekeeping Systems Used to Track Time Used for Fitness Amongst DoD Components
50%
40%
30%
20%
10%
0%
8
5
1
1
1
2
1
Components tracking in DAI
Components tracking in ATAAPS
Components tracking in EAGLE
Components tracking in DCPS
Componentstracking in SLDCADA
Components that track, but timekeeping system is unaccounted for (Intelligence Agencies)

Post-Combat Case Coordinator Program

The Post-Combat Case Coordinator (PCCC) Program was established because of potential challenges facing civilian employees who return from serving in troubled areas such as combat zones and who have sustained injuries due to war-risk hazard or encounters with hostile forces.

This requirement was established by section 1106 of the National Defense Authorization Act (NDAA) for Fiscal Year 2012, Pub. L. 112-81, (Dec. 31, 2011), and codified in section 7906 of title 5, U.S. Code.

The head of each Federal agency has assigned a Point of Contact (POC) to be called the "PCCC" to assist employees who suffer "an injury or disability incurred, or an illness contracted, while in the performance of such employee's duties, as a result of a war-risk hazard or during or as a result of capture, detention, or other restraint by a hostile force or individual."

While some civilian employees face difficulties caused by their physical injuries, others may exhibit symptoms of medical and/or behavioral health conditions that impair their ability to seek help. Some may not be aware that programs exist to help them. Recognizing the importance of their war-risk hazardous assignments, Congress established a structured program for all qualified injured or ill civilian employees to assist them in receiving benefits to which they are entitled.

The Benefits and Work-Life Programs (BWLP) is responsible for program policy, management and oversight. A DoD Instruction (DoDI) which issues policy and guidance for the PCCC Program has been drafted, and is currently going through the coordination process and is expected to be published in the near future. To further assist PCCCs, the BWLP has entered into an agreement with the Wounded Warrior Program to utilize their case management system to track assistance provided to DoD civilian employees. BWLPD serves as administrators of the PCCC case management system and has established a website to educate employees on the services provided under the PCCC program and a list of agency contacts.

Post-Combat Case Coordinator Program

	Total Number of Claims Filed	
Year	Afghanistan	Iraq
2003	8	24
2004	2	58
2005	3	52
2006	7	48
2007	18	71
2008	20	104
2009	69	85
2010	82	84
2011	99	60
2012	85	21
2013	131	11
2014	76	20
2015	24	2
2016	43	2
2017	7	2

Responsibilities of the PCCC:

• Serve as the main POC for employees who seek administrative guidance or assistance related to FECA or FEHB

• Collect documentation to file claims for benefits (pre-deployment health assessments, incident/ medical surveillance reports)

• Assist in connection with receipt of prescribed medical care and coordination of benefits

• Assist in resolving problems related to receipt of benefits

• Ensure employees are properly screened and receive appropriate treatment for Post-Traumatic Stress or other similar disorder stemming from combat trauma or for suicidal/homicidal thoughts or behaviors

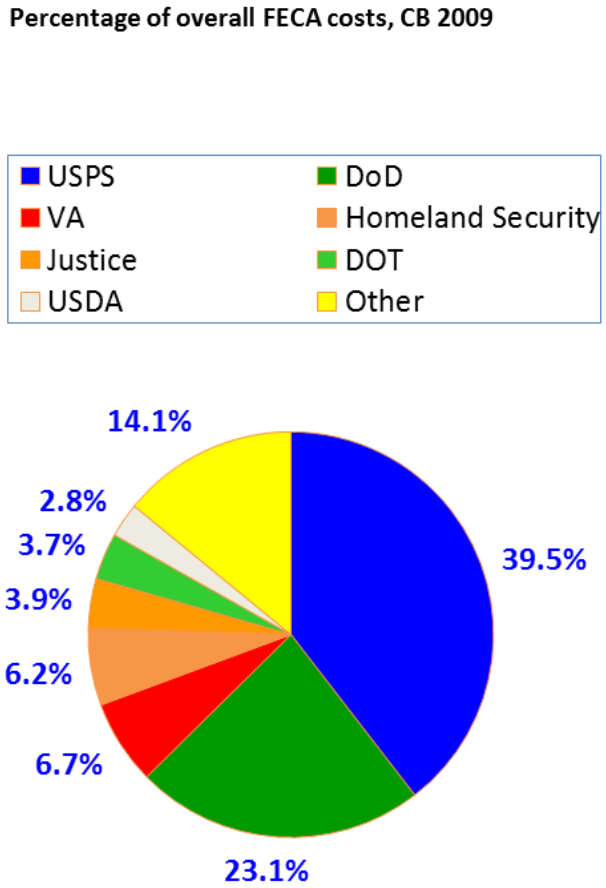
Injury and Unemployment Compensation (ICUC) Program Synopsis and Mission

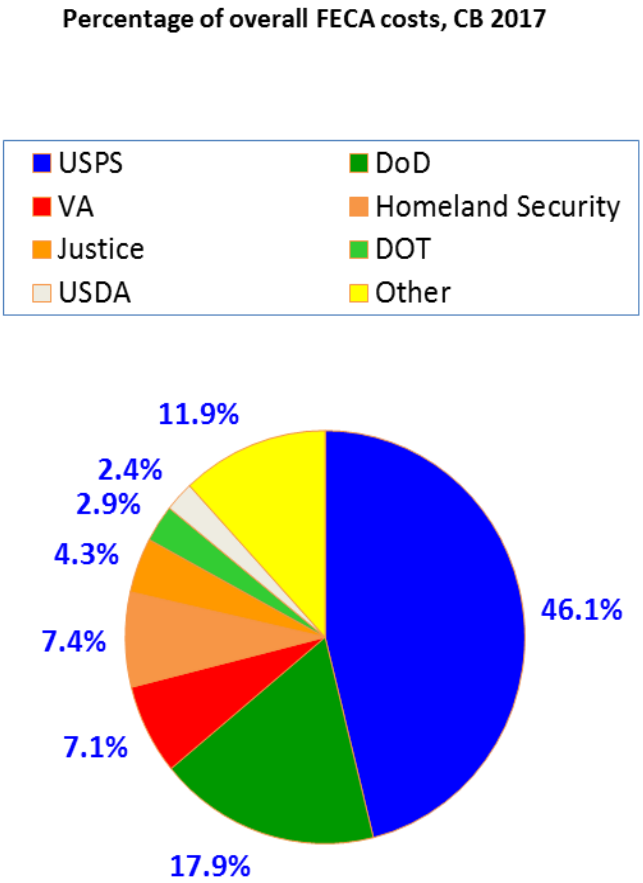
The ICUC Branch is staffed by expert advisors with extensive FECA experience who provide technical advice, both online and in-person training, comprehensive program support, and solutions development to help reduce compensation costs and meet regulatory and HR requirements.

The Branch provides DoD policy guidance, systems support, and oversees program initiatives in such areas as Pipeline Return-to-Work, Pharmacy Benefits Management, Unemployment Compensation, and functional requirements for DoD's enterprise web based application for Federal Employees' Compensation Act (FECA) claim management.

The ICUC Branch also assists DoD Components and Agencies with advice and guidance regarding retention and disclosure of FECA information to ensure the requirements of the Privacy Act, DOL GOVT-1, and DoD are followed.

DoD FECA Program Metrics: ICUC Performance vs. Other Large Agencies 2009 vs. 2017





DoD FECA Program Metrics

ICUC Overall Department Performance

Compensation costs for the Department declined from Chargeback Year 2016 by 6.03%. Total Costs for all Components declined from 2016 levels. The primary driver of this decline was the reduction in medical costs. However, even discounting the reduction in medical costs, FECA costs for the Department would still show a decline of 2.6% from Chargeback Year 2016 even though wage loss compensation was increased by a 2% CPI for 2017.

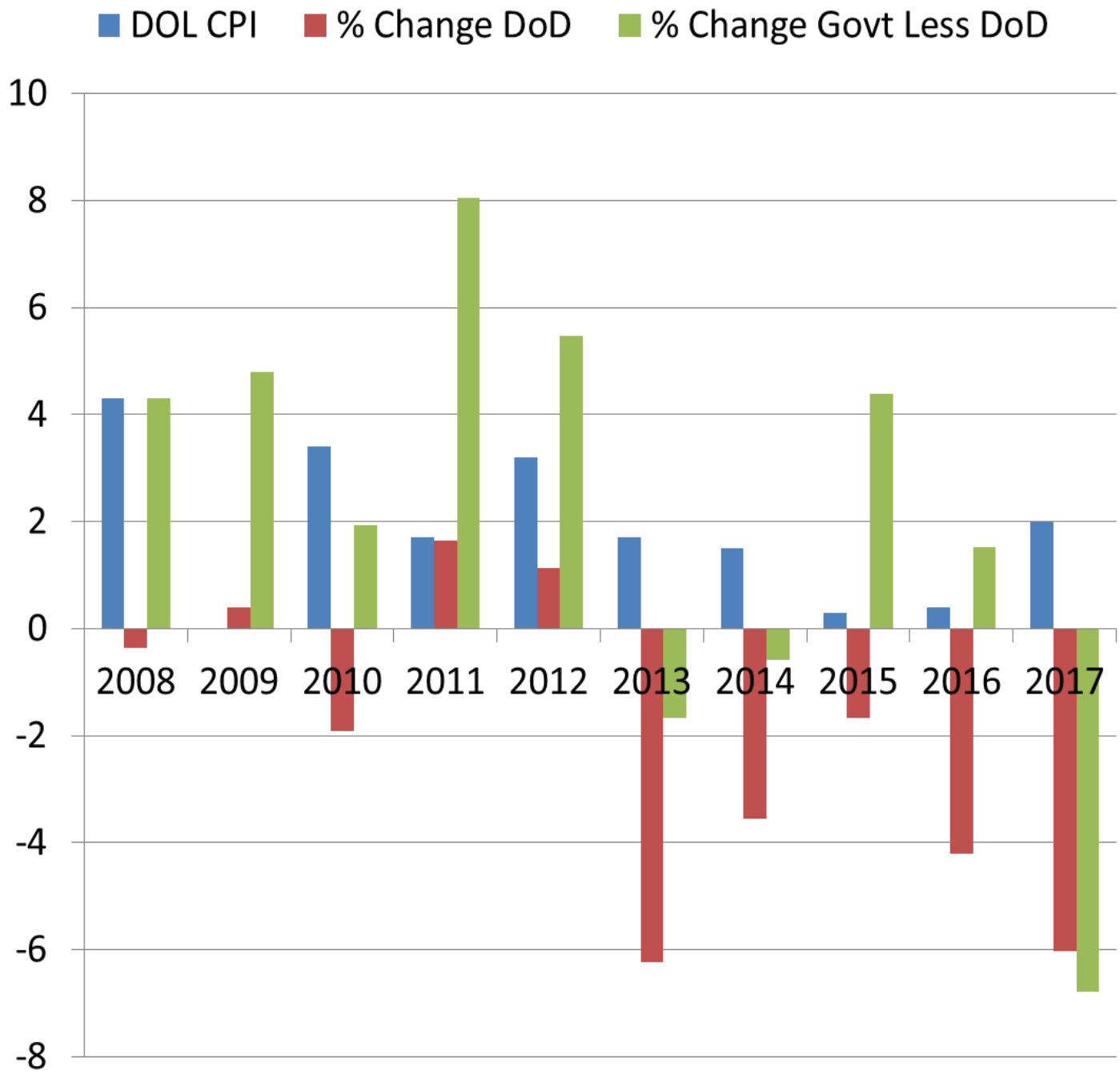
WORKERS' COMPENSATION COSTS CHARGED TO THE DEPARTMENT OF DEFENSE

	Costs for period July 1, 2016 through June 30, 2017		
Employing Agency	Medical	Compensation	Total
	Costs	Costs	Costs
Department of the Navy	44,992,589	144,347,789	189,340,378
% Change from CB 16	-6.55	-2.71	-3.65
Department of the Army	42,139,299	106,080,704	148,220,003
% Change from CB 16	-12.13	-3.65	-6.23
Department of the Air Force	26,750,032	76,140,971	102,891,003
% Change from CB 16	-20.06	-3.39	-8.36
DoD Agencies	14,525,968	42,284,066	56,810,034
% Change from CB 16	-18.27	-5.08	-8.84
All DoD	128,407,888	368,853,530	497,261,418
% Change from CB 16	-12.85	-3.40	-6.03
All Government			2,780,062,532
% Change from CB 16			-7.37
All Government less DoD			2,282,801,114
% Change from CB 16			-6.79%

DoD FECA Program Metrics

ICUC Performance Over Time

This chart below shows the change in DoD costs, All Government less DoD, and the FECA CPI increase over the last 10 years. Any increase lower than the FECA Consumer Price Index (CPI) indicates a slower rate of growth. It is interesting to note that DoD FECA costs have decreased for 7 of the last 10 years with costs decreasing each of the last 5 years whereas the All Government Less DoD increased for 7 of the last 10 years.



ICUC 2017 Goals and Priorities

2017 focused on:

•Enhance and expand ICPA training both classroom and online training.

•Move forward with establishing Pharmacy Benefits Program for the Department.

•Develop agenda, training, and, scheduling for 2018 Benefits and ICUC Training Symposium to be held at the Mark Center.

•Rework the ICUC website.

•Continue modernization of the Department's enterprise application for FECA case management, the Defense Injury and Unemployment Compensation System (DIUCS).

•Continued emphasis on Return to Work for injured employees.

•Increase the timeliness of wage loss claims filed with Department of Labor.

•Identify and develop claims in posture for FERS Offset.

ICUC Supporting 2017 Goals and Priorities

A number of actions were completed to support the Branch's goals and priorities:

- Development of the Defense Injury and Unemployment Compensation System (DIUCS) continued into 2017 to fix issues identified after the initial rollout of the application. Development of the Unemployment Compensation module was initiated with development to continue on that function into 2018. Multiple DIUCS training sessions occurred throughout 2017 to train users on the functionality of the application. Training sessions were provided for Army, Navy, Air Force, DLA, NG, and a number of smaller DoD agencies.

- Work continued on the establishment of a Pharmacy Benefit Program (PBM). The way forward was changed due to the inability to reach an agreement with VA regarding the IAA for their contract. Work continues on the contract with the DHRA PSO to let a DoD contract for a PBM program tailored to the needs of the Department.

- In order to continue to support the improvement of timely submission of workers' compensation claim forms, 157 recognition letters were sent to Injury Compensation Program Administrators (ICPA) as part of a recognition program for agencies that meet or exceed the latest published targets for timeliness from DOL. This is the highest number of recognition letters sent out since the program initiated in 2015.

- The Liaison training team developed and implemented a specialist training program delivered via the Department's online Defense Collaboration Service application. Five online sessions were held and a total of 385 specialists were trained on Dual Benefits, Death Benefits, Performance of Duty, Emotional Conditions, Overseas Claims Management, and the Significant Case Action Process. This training was held at no cost to the agencies.

- A process was developed to ensure significant case actions were being taken on cases. A formal process was developed in consultation with Component FECA program managers that allow agency specialist to elevate certain types of actions to the DCPAS and ultimately Department of Labor level for resolution. This process should shorten the time required to resolve certain issues and thus save FECA costs.

- Validated and submitted 3,651 Chargeback Code changes. These changes ensure that agencies are charged only for the claims that fall within their area of responsibility. This ensures greater accuracy in the FECA bill presented to each agency annually by the Department of Labor.

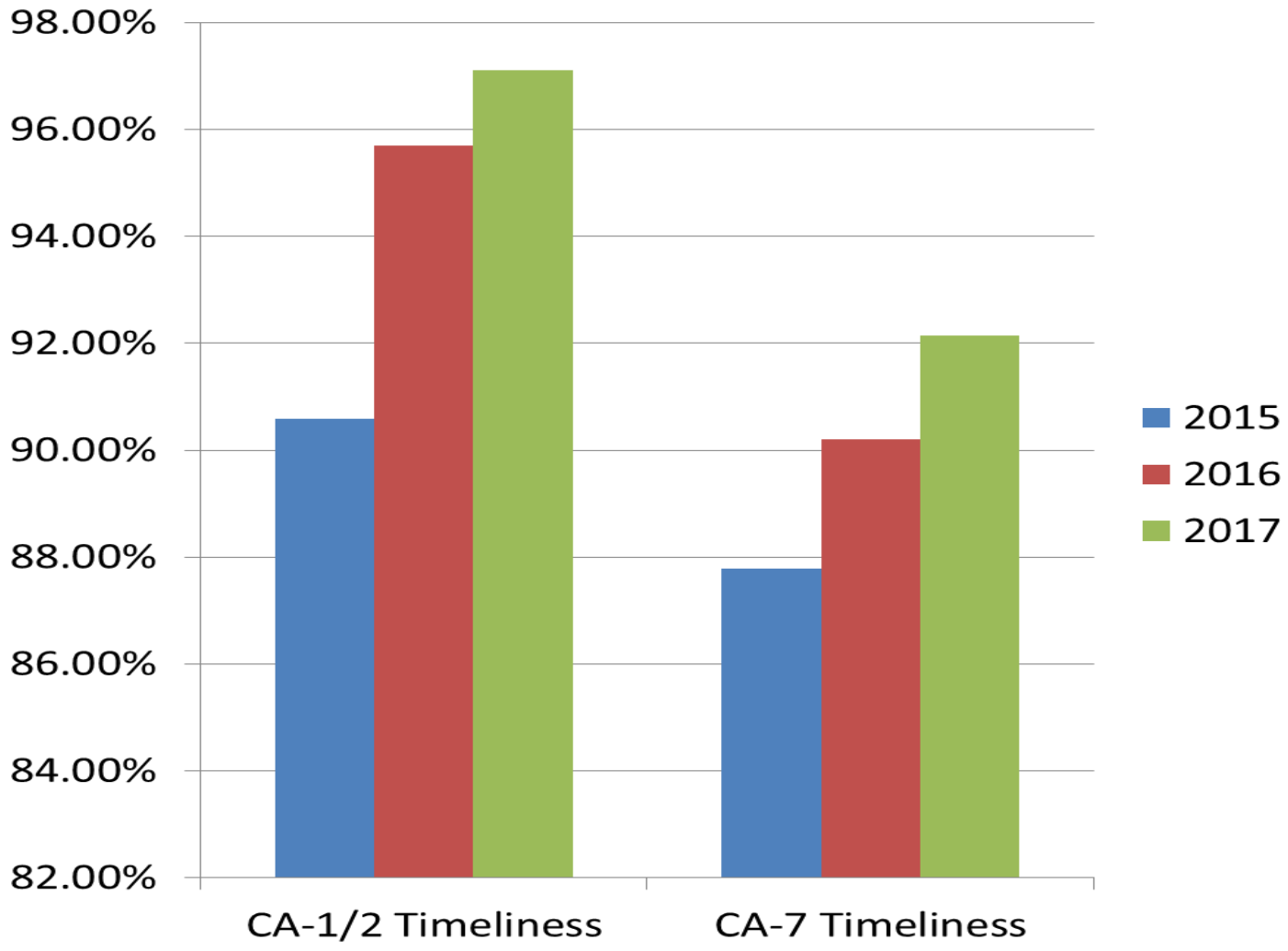
ICUC Claim Timeliness Analysis All DoD

The POWER program under the Department of Labor (DOL) lapsed in 2015 with no successor program authorized as of the end of 2017. As a result, DoD continues to measure performance using metrics provided by the POWER Program to ensure the Department was in a position to be successful when the successor program is eventually announced.

The following graph shows the timeliness of submitting initial FECA claim forms (CA-1 and CA-2) to DOL as well as claims for wage loss compensation (CA-7). Agencies have 10 working days from the date they receive an initial claim form (CA-1 or CA-2) to get the claim to the Department of Labor. The timeframe for wage loss claims is significantly shorter at 5 working days to get the form to DOL.

Timeliness in filing claims has increased for both the CA-1 and CA-2 initial claims as well as CA-7 wage loss claims. The DCPAS Injury Compensation Management Advisors (formerly DoD Liaisons) work closely with agency workers' compensation personnel to ensure that claims are filed as quickly as possible. Additionally, the DOL ECOMP application used to file claim forms more quickly has been in place for a period of time which allows more familiarity with the application and more consistent use by agency personnel.

ICUC continued its ICPA Recognition Program that recognizes agency specialists who meet or exceed the POWER targets for timeliness. For 2017, 157 specialists were recognized for this accomplishment. Feedback on the program is positive and the recognition well received.



ICUC Liaison Workload Analysis

The Injury Compensation Management Advisors responded to over 5,700 requests for assistance. This is down slightly (-5.2%) from 2016, but generally the rebalancing of the workload due to the implementation of ECOMP is stabilizing. The number of case reviews have increased from 2016 (+4.6%) to just over 2,000 FECA cases reviewed. The work performed by the Management Advisors continues to involve more complex issues. This work better leverages their experience and knowledge to help resolve issues such as return to work that result in a FECA cost reduction for the Department.

One consistent issue that prevents Advisors from performing as efficiently as possible is the continued problems encountered with Information Technology both at the network and individual laptop level. Delays in getting assistance has hampered access to email and the DIUCS applications for some Advisors. These advisors have to develop work arounds in order to accomplish and document their work taking valuable time away from customer service. Issues with the DIUCS application development with regard to external data feeds that update the application data have affected the ability to use DIUCS effectively. These issues continue to hamper rather than help mission accomplishment.

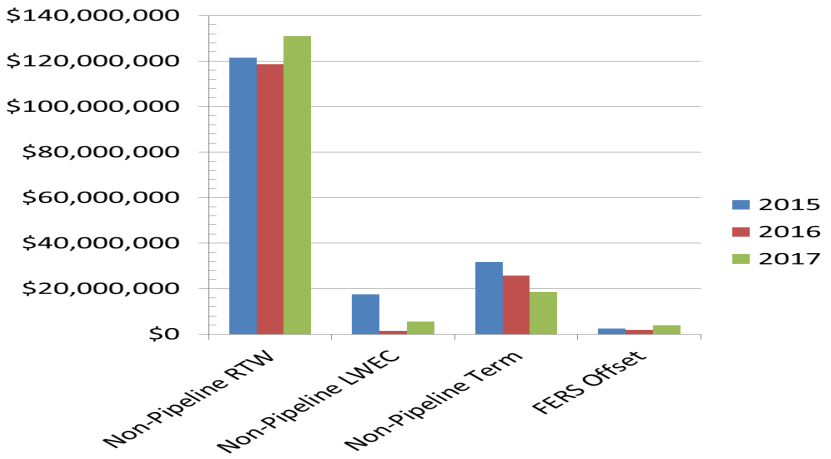
ICUC Projected Cost Avoidance Analysis

In a number of cases, the Management Advisors assistance, guidance, and case actions taken result in decisions by the Department of Labor that result in the reduction or termination of workers' compensation benefits. A Return to Work (RTW) can result in a termination or reduction in FECA payments and is tracked separately. A Loss of Wage Earning Capacity (LWEC) decision results in a reduced compensation payment. A termination results in the no further compensation payments being made due to reasons other than Return to Work.

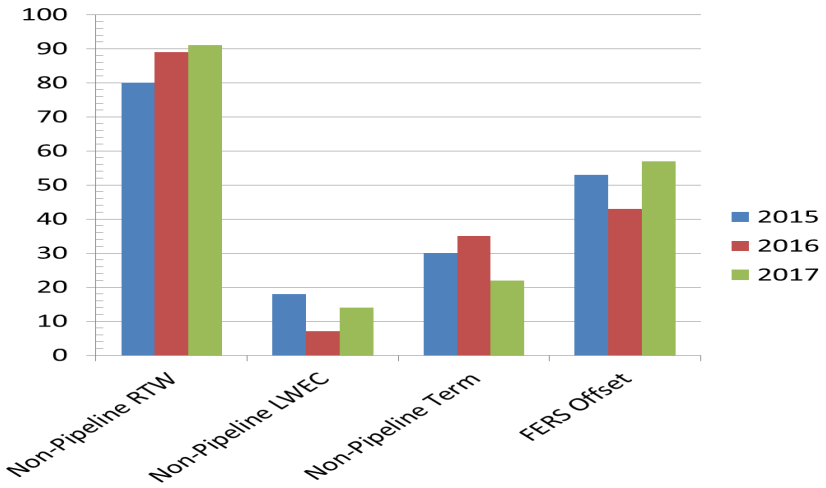
A calculation is performed that quantifies the benefits an employee would be paid from the time their benefits are terminated or reduced to the age of 75 that takes into an account an annual 2.5% increase in compensation each year. This total is referred to as the Projected Lifetime Cost Avoidance of the claim. Without action and assistance by the Management Advisors and agency personnel, the employee would continue to collect compensation indefinitely. This has been found to be an accurate method to quantify the impacts of the DCPAS MA actions. The following two graphs demonstrate that the number of claims where the employee returned to work or had compensation reduced increased from 2016 to 2017 as well as the Projected Lifetime Cost Avoidance of those claims.

An additional metric quantifies the compensation costs that have accrued from the date the compensation was reduced or terminated to the end of the calendar year. That is referred to as the Cost Avoidance for the Year.

ICUC Projected Lifetime Cost Avoidance Dollars



ICUC Projected Cost Avoidance Number of Claims



ICUC Cost Avoidance 2016 vs. 2017

	2016	2017	Change
Projected Lifetime Cost Avoidance	$200,213,145.96	$228,935,741.52	**+14.35%**
One Time Savings	$1,441,550.00	$634,928.79	-55.96%
Cost Avoidance for the year	$4,486,632.15	$5,381,248.05	**+19.94%**
Claims with Savings	278	334	**+20.14%**
Avg 28 day comp reduction	$2,576.45	$2,045.80	-20.60%
Avg Projected Cost Avoid-ance	$971,908.48	$894,280.23	-7.99%
Avg One Time Savings	$24,854.31	$13,227.67	-58.85%
Avg Cost Avoidance for the year	$19,011.15	$18,366.03	-3.39%
Avg Age for all Claims with Savings	59	58	
Avg Age for Claims with RTW/LWEC	49	50	

ICUC Projected Cost Avoidance Analysis

In looking at the data for 2017 compared to 2016 it can be seen that the overall Projected Lifetime Cost Avoidance increased by more than 14% to just under $229 million. Cost avoidance for return to work, LWEC , and FERS Offset all increased while cost avoidance for terminations decreased. Further analysis shows that the average age of claimants for any cost avoidance action fell from 59 years of age to 58 years of age. The age of a claimant where a cost avoidance was recorded has fallen from 61 in 2015 to 58 in 2017. Additionally the average age of claimants where a return to work or a reduction of compensation was put in place rose from 49 years of age to 50 years of age.

The number of FERS Offsets put in place are at the highest level in three years (57) and is a direct reflection of the emphasis put on alerting the Department of Labor to improper payments and assisting them in putting the FERS Offset in place. Since 2015, compensation has been reduced in 153 cases where the claimant was also collecting Social Security Old Age Benefits resulting in a projected cost avoidance of over $8.2 million.

Finally, a savings ratio was determined that compares the 12 month cost of salary and benefits for ICUC personnel to the Cost Savings for the Year 2017. Not every action will result in a full year of savings since timing of the savings will affect the amount of savings for the year. In 2017, for every $1.00 spent for ICUC personnel, the Department received $2.01 in FECA costs savings.

ICUC Pipeline Reemployment Program

The Pipeline Reemployment Program initiated a complete revamp in the latter part of 2017 that involved every aspect of the program. The new processes and procedures will be rewritten to build in more transparency, consistency, and efficiency. The process to handle MIPRs is also being completely changed due to the change in responsibility of MIPR processing from DCPAS to DHRA. It is estimated that the new Pipeline program guidelines and procedures will be implemented in early 2018.

Injury Compensation FECA Timeline

Date	Event	Importance
05-30-1908	Congress passes first gov't -wide law for workers' compensation	Effective on 8-1-1908, the law covered about 25% of Federal workforce – those in "hazardous" occupations
03-04-1913	Creation of DOL	The Department of Labor (DOL) is created; the duties that DOL assumed were previously under the U.S. Department of Commerce and Labor
09-07-1916	FECA signed into law	Covers all Federal employees. Initial rates set at a maximum of $66.67 per month, and compensation paid at 2/3 rate. Costs paid by Congressional appropriation. Claims processed by the Employees' Compensation Commission, an independent agency.
03-04-1927	Longshore and Harbor Workers' Compensation Act	Congress enacts legislation covering longshoremen and harbor workers for job injuries; program is ultimately placed under OWCP.
1930's	New Deal Programs	Congress approved the creation of multiple programs championed by President Roosevelt as part of his New Deal – Civil Works Admin, Works Progress Admin, Civilian Conservation Corps, etc. Each group is separately covered under FECA.
08-14-1935	Social Security Act	P.L. 74-271 is signed by the President, creating a social security system for retirement-age citizens. The Supreme Court upheld the constitutionality of the Act on 5-24-37.
09-02-1935	Florida Labor Day Hurricane	A Category 5 Hurricane strikes the Florida Keys, with 185 mph winds and a 20-foot storm surge. Over 400 fatalities were recorded, including 250 veterans of WW I at work camps in the Keys. Separate legislation covering these veterans under FECA was enacted.
07-28-1941	Pentagon construction authorized	Congress authorized the construction of a new HQ for the Department of War (now the Department of Defense) in Arlington, VA. Construction of the Pentagon was completed in 1943.
12-07-1941	Beginning of WW II	Large increase on the number of Federal employees, from 1.6 million in 1941 to 3.4 million in 1945. Numbers drop sharply at the end of WW II.
07-16-1946	Oversight change for FECA	Federal Security Agency is assigned the function of administering FECA
04-13-1948	Nation-wide workers' compensation	Mississippi becomes the last state to enact a workers' compensation law, meaning all 48 states now have workers' compensation
10-14-1949	Amendments to FECA	Provisions included adding schedule awards, increasing maximum to $525/month, augmented compensation with dependents, exclusive remedy. Administration placed in Department of Labor's Bureau of Employees' Compensation. ECAB becomes final appeal authority.

Injury Compensation FECA Timeline

Date	Event	Importance
1952	OWCP District Offices	First OWCP District Office (San Francisco) established
03-23-1953	Shadrick decision	ECAB issues decision in the case of Albert Shadrick (5 ECAB 376) that sets forth the basis by which a loss of wage-earning capacity is issued
09-13-1960	Amendments to FECA	Provisions included billing costs to Federal agencies (chargeback), increased maximums – P.L. 86-767
12-19-1960	Explosion at Brooklyn Shipyard	A fire broke out on board the U.S.S. Constellation, an aircraft carrier under construction at the Brooklyn Naval Shipyard. Fifty civilian shipyard workers were killed, and 330 injured, by the time the fire was extinguished.
07-04-1966	Amendments to FECA	Provisions included increases indexed to the Consumer Price Index (CPI), linking minimums and maximums to General Schedule pay rates, re-employment rights, right to a hearing – P.L. 89-488
09-06-1966	Peace Corps coverage under FECA	P.L. 89-554 is signed by the President, providing FECA coverage for Peace Corps volunteers, by determining that injuries or illnesses sustained as a volunteer while outside the U.S. are deemed proximately caused by employment
12-30-1969	Black Lung Benefits Act	P.L. 91-173 is signed by the President, providing for benefits to coal miners affect by pneumoconiosis (black lung disease). Program is placed under OWCP in 1977.
12-29-1970	OSHA created	The Occupational Safety and Health Act requires employers to maintain a safe working environment; imposes reporting requirements for job injuries, citations and penalties for violations
02-09-1971	San Fernando earthquake	A 6.6 magnitude earthquake strikes California, just north of Los Angeles. The greatest damage, and loss of life, was at the San Fernando VA Hospital, where 49 died when buildings collapsed at the Hospital.
1972	Creation of OWCP	OWCP – then called the Office of Workmen's Compensation Programs – was created in 1972, and would become the Office of Workers' Compensation Programs (OWCP) in 1974.
04-02-1974	Proposal to amend FECA	H.R. 13871 is introduced in the House by Cong. Dominick Daniels, proposing significant changes to FECA. Passes House on 5-7-74, passes Senate on 8-12-74 with amendments, House agrees to amendments on 8-19-74.
09-07-1974	Amendments to FECA	P.L. 93-416 is signed by the President, amending FECA. Provisions included Continuation of Pay (COP) for traumatic injuries, employee choice of physician, limited inclusion of chiropractors, change in time limitations from one year to three years.

Injury Compensation FECA Timeline

Date	Event	Importance
09-30-1974	Increases in FECA claims filed	In FY 1974, 12,000 FECA claims were filed. By the end of FY 1979, that number had increased to 101,000 FECA claims filed.
02-14-1975	Updated FECA regulations	FECA regulations implementing the 1974 legislative changes are published in the Federal Register
04-21-1976	Change in government Fiscal Year	P.L. 94-273 is signed by the President, changing the government Fiscal Year. Previously, the FY was from July 1 to June 30, but henceforth it will be from October 1 to September 30. Section 42 of that law kept the FECA chargeback year at July 1 to June 30.
12-13-1976	Cutler decision	ECAB issues decision in the case of Lillian Cutler (28 ECAB 125) that sets forth guidelines summarizing the basis by which emotional claims are covered or not covered under FECA
05-23-1977	FECA benefits subject to garnishment	P.L. 95-30 is signed by the President, making FECA benefits subject for the first time to garnishment for child support and alimony purposes
08-1977	Automation	First computers in OWCP District Offices
02-26-1980	Executive Order on Federal occupational safety and health	President issues Executive Order 12196, requiring Federal agencies to appoint a designated occupational safety and health official, and directing DOL to issue agency safety program standards. OSHA establishes the Office of Federal Agency Programs.
12-05-1980	Computation of CPIs	P.L. 96-499 is signed by the President, proving for annual (every March) CPI increases in FECA benefits; previously, increases were paid when the CPI was 3% higher, for 3 consecutive months. The first CPI paid under these provisions is effective on 3-1-82.
03-30-1981	Reagan assassination attempt	President Reagan and 3 others, including Press Secretary Jim Brady, are shot at the Washington, DC Hilton. FECA is involved because all four victims are covered by FECA; even the D.C. police officer, who is covered under 5 U.S.C. 8191.
03-10-1982	FECA coverage for Filipino nationals ends	Under an agreement between the U.S. and the Republic of the Philippines, the Philippine Employees' Compensation Program was extended to all Philippine national direct-hire employees, removing them from FECA for injuries or illnesses occurring after 3-10-82
09-16-1982	Ostertag decision	ECAB issues decision in the case of William E. Ostertag (33 ECAB 1925) that sets the principle that there are no criteria for waiver of the 30-day filing requirement for COP. FECA Program Memo 233, which set criteria for waiver consideration, is rescinded.

Injury Compensation FECA Timeline

Date	Event	Importance
10-01-1983	OSHA receives OWCP data	OSHA begins receiving injury data directly from OWCP, replacing a system by which OSHA received injury data from each Federal agency
05-29-1984	Supreme Court decision on subrogation in third party cases	The Supreme Court issued a decision in U.S. v. Lorenzetti, unanimously holding that the Federal government is entitled to be repaid under FECA when a third party suit results in payment of noneconomic damages for pain and suffering, even though FECA does not separately provide for pain and suffering
06-19-1985	No subrogation for COP	ECAB issues a decision in Paul L. Dion (36 ECAB 656) holding that OWCP cannot require employees to pay back COP when a third party claim is settled. Subsequent suits (Evich v. Brock was the first one) required OWCP to return COP previously refunded to the government; Evich was retroactive to 1979.
09-27-1985	Court decision in Kendall v. Brock	A court decision directing OWCP to provide pre-termination notice to a Postal Service employee facing the termination of FECA benefits is handed down by the U.S. District Court for the state of Vermont. This process is later adopted for all defined FECA beneficiaries, as noted in FECA Bulletin 86-65.
01-28-1986	Space shuttle Challenger explodes	The shuttle Challenger explodes about a minute after takeoff, killing all aboard. Most on board were civilian employees, and dependents of those killed are therefore eligible for FECA benefits.
03-01-1986	No CPI given	Because of the terms of the Balanced Budget Act of 1985 (Gramm-Rudman-Hollings legislation), no FECA CPI is given, even though the CPI increased by 3.6% in 1985
06-06-1986	FERS retirement system	P.L. 99-335 is signed by the President, establishing the Federal Employees' Retirement System (FERS), generally for Federal employees hired after 12-31-83. For FECA, this means that regular FERS retirees who get SSA benefits based on Federal service will see a reduction in their FECA benefits.
01-1987	Air Force return-to-work (Pipeline) program	The Department of the Air Force establishes a program that authorized specific funding and staff years for the purpose of bringing FECA recipients back to work. In the first year of the program, they brought 49 people back to work through this program.
04-01-1987	Updated FECA regulations	Updated FECA regulations are issued, including a physician fee schedule, the right to a hearing on the written record, right of the agency to terminate COP if medical evidence is not received in 10 days, and time limitations when requesting reconsideration

Injury Compensation FECA Timeline

Date	Event	Importance
06-30-1987	FECA costs	FECA chargeback costs reach $1 billion ($1.07 billion)
1988	Nurse Intervention Program begins at OWCP	First started as a pilot program at the Boston District Office, OWCP begins assigning a nurse to FECA claims with an eye toward returning partially disabled employees to duty
09-22-1988	Normand decision	ECAB issues decision in the case of John W. Normand (39 ECAB 1378) that states that employees performing light duty due to a job injury who are terminated for reasons unrelated to the injury are not disabled within the meaning of FECA
08-1989	Plane crashes involving U.S. House members	Two members of Congress – Mickey Leland of Texas and Larkin Smith of Mississippi – die in plane crashes, 6 days apart. The widows of both Congressmen are eligible for FECA death benefits.
01-01-1990	Change in FEGLI	Individuals who retire or begin to receive FECA on or after this date must now pay for the employee's share of basic Federal Employees' Group Life Insurance (FEGLI) benefits.
05-29-1990	Remarriage age for widows/widowers changed from 60 to 55	P.L. 101-303 is signed by the President, and Section 3 of that Act changes the age when widows and widowers can remarry without losing FECA death benefits from age 60 to age 55
09-30-1990	Peak of Federal civilian employment	According to OPM, Executive branch employment (including USPS) reaches its post-WW II peak, with 3.07 million employees (including temporary Census employees). By 2014, that number is 2.66 million employees.
11-07-1990	Increase in attendant allowance	P.L. 101-534 is signed by the President, increasing the maximum in FECA attendant allowance cases from $500/month to $1500/month
02-25-1991	Court decision in service computation case	The U.S. Court of Appeals for the Federal Circuit issues a decision in Gordon True v. OPM, holding that a re-employed OWCP recipient must work for the equivalent of 5 full years before receiving a redetermined annuity
08-24-1992	Hurricane Andrew	Hurricane Andrew makes landfall in South Florida, with 165 mph winds and up to 14" of rain. Homestead AFB, located where Andrew made landfall, suffered devastating damage, reopening 2 years later as Homestead Air Reserve Base.
08-30-1992	CPMS created at DoD	Through the issuance of DoD Directive 5124.4, The Civilian Personnel Management Service (CPMS) was established at the beginning of FY 1993, with policy authority over all DoD injury compensation programs. Name change to DCPAS in May of 2011.

Injury Compensation FECA Timeline

Date	Event	Importance
03-02-1993	OWCP conference on medical cost containment	Concerned with rapid increases in medical costs – increasing as a percentage of FECA from 14.2% of FECA costs in 1972 to 24.4% in 1992 – OWCP convenes a Conference on Medical Cost Containment in Washington, DC from March 2-March 4, 1993
01-1994	OWCP organizational structure change	Director of OWCP is re-named the Deputy Assistant Secretary of Labor for Workers' Compensation Programs. Position title would revert back to Director, OWCP in 2001.
09-30-1994	FECA fraud and receipt of FECA benefits while incarcerated addressed	P.L. 103-333 is passed, providing for termination of FECA benefits upon FECA fraud conviction, and reducing or terminating FECA benefits to an incarcerated felon (codified as 5 U.S.C. 8148)
04-19-1995	Bombing of Murrah Federal Building in Oklahoma City	A truck bomb exploded outside the Murrah Federal Building in Oklahoma City, killing 168 people, mostly Federal employees, and injuring more than 600 other people. OWCP sends task force to Oklahoma City to assist affected personnel in the filing of FECA claims.
07-01-1995	Release of 1995 BRAC Commission report	The 1995 Base Realignment and Closure (BRAC) report is released, recommending closure of multiple DoD facilities, including 2 Naval Shipyards and an Air Force Depot that each have $10 million plus annually in FECA costs.
12-21-1995	Annual Report to Congress on FECA required	P.L. 104-66 is signed by the President (the Federal Reports Elimination and Sunset Act of 1995); Section 1102 of that Act mandates that FECA submit an annual report to Congress. Codified as 5 U.S.C. 8152.
04-03-1996	Croatia Plane crash, and the $10,000 death gratuity	Secretary of Commerce Ron Brown, along with 34 others, was killed in a plane crash in Croatia. Many Federal employees accompanying the Secretary had no dependents, and therefore were not eligible for FECA benefits other than minimal burial benefits. As a result, P.L. 104-208 is signed by the President on 9-30-96, granting agencies the right to pay $10,000 to the personal representative of the deceased employee.
09-30-1996	Increases in FECA claims filed	The number of FECA claims reaches its peak, with 185,927 FECA claims filed in FY 1996. By FY 2012, that number has dropped to 115,697
07-24-1998	Shooting at U.S. Capitol	Two U.S. Capitol policemen, Jacob Chestnut and John Gibson, were shot and killed by a gunman at the U.S. Capitol; one Capitol policeman was wounded. All three were covered under FECA, two for death benefits and one for compensation.

Injury Compensation FECA Timeline

Date	Event	Importance
08-07-1998	Attack on embassies in East Africa	Terrorists explode truck bombs outside U.S. embassies in Kenta and Tanzania. 213 are killed in Kenya and 11 in Tanzania, including 12 Americans and many foreign nationals employed by the Department of State. Multiple FECA claims are received and processed.
10-09-1998	Technical correction to Section 8148 of FECA	P.L. 105-247 is signed by the President, making a technical correction ("or receipt", rather than "a receipt") in the section of FECA related to fraud, so that it is clear that FECA fraud covers any fraud committed, not just fraud at the time of the original claim
10-21-1998	Pay rates for firefighters	P.L. 105-277 is signed by the President, defining work in excess of 106 hours biweekly as "overtime". Since FECA does not allow overtime to count toward an employee's pay rate, this has the effect of reducing FECA benefits for firefighters. Congress subsequently passes, and the President signs, P.L. 106-554, stipulating that for the purposes of FECA, firefighter hours in a regular tour of duty are not overtime hours.
01-04-1999	Updated FECA regulations	Includes provision mandating that agency contact with attending physician be in writing; fee schedule for pharmacy bills is instituted
08-13-1999	Reynolds ECAB decision on telework	ECAB issues decision in the case of Julietta Reynolds (50 ECAB 529) that sets a principle of limited coverage for injuries incurred while teleworking.
03-27-2000	Electronic submission of injury claims	OWCP completes necessary programming allowing for electronic submission of injury claims. The Department of Veterans Affairs (VA) is the first agency to submit such claims.
06-30-2000	FECA costs	FECA chargeback costs reach $2 billion ($2.024 billion)
07-2000	FECA case imaging	The Jacksonville District Office becomes the first OWCP District Office to use OASIS, the OWCP system for electronically imaged case files. By July of 2001, all OWCP offices have this capability.
10-30-2000	EEOICPA	P.L. 106-398 is signed by the President. Title 36 of that Act establishes the Energy Employees Occupational Illness Compensation Program Act (EEOICPA), an Act that compensates employees of the Department of Energy, its predecessor agencies, and certain contractors who are diagnosed with a medical condition as a result of exposure to radiation, beryllium, or silica while employed at covered facilities. The program is placed under OWCP.

Injury Compensation FECA Timeline

Date	Event	Importance
09-11-2001	Attack on World Trade Center and Pentagon	Planes piloted by terrorists hit the World Trade Center in New York, the Pentagon in Arlington, VA, and Shanksville, PA, killing about 3,000 people. At the Pentagon, 125 DoD personnel on the ground are killed, and about 400 FECA claims are filed.
09-18-2001	2001 Anthrax Attacks	Letters mailed from New Jersey that were infected with anthrax spores, postmarked 9-18-01 and 10-09-01, were sent to news media and Congress. Five people died from this exposure, including two Washington, DC Postal Service workers covered under FECA.
10-2001	Civilians deployed in zones of armed conflict	American troops enter Afghanistan (Operation Enduring Freedom), and the first civilians are deployed shortly after. By the end of 2016, about 1,300 injury and death FECA claims had been filed by deployed DoD civilians.
07-2003	EDI in DoD	Electronic reporting of FECA claims by DoD (Electronic Data Interchange, or EDI) begins
09-02-2003	FECA medical bill processing by contractor	Contract for processing FECA medical bills and initiating authorization of medical procedures by ACS, a contractor selected by OWCP, begins.
01-09-2004	SHARE Initiative	Presidential Initiative for injury reduction and improving injury reporting; covers 2004 through 2009
11-12-2004	MSPB decision in service computation dates	MSPB issues decision in Hatch v. OPM, finding that an employee in receipt of OWCP benefits but not terminated from agency rolls receives full service credit, even though they return to work part-time. OPM request for reconsideration denied on 9-28-05.
12-2004	DoD Pipeline Program	DoD approves funding for the Pipeline Program, an initiative to fund salaries and positions to be offered to partially disabled recipients of FECA benefits. By the end of FY 2015, over 1,000 DoD employees were brought back to work with Pipeline Program funding.
03-18-2005	Telephonic hearings	OWCP revises its procedures to allow claimants to request a telephonic hearing
08-29-2005	Hurricane Katrina	Hurricane Katrina makes landfall, with 125 mph winds (after reaching 175 mph the day before) and massive flooding in New Orleans. Multiple Federal facilities were impacted; VA Medical Centers, Navy and Air Force bases, and the National Guard building in New Orleans. The Armed Forces Retirement Home in Gulfport, MS is destroyed, reopening in 2010.
12-20-2006	COP waiting days for USPS employees	P.L. 109-435 is signed by the President, making Postal Service employees subject to a 3-day waiting period in the beginning of the COP period

Injury Compensation FECA Timeline

Date	Event	Importance
01-28-2008	FECA death gratuity	P.L. 110-181 is signed by the President, providing for a $100,000 death gratuity under FECA upon the death of a Federal employee supporting the Armed Services in a contingency operation
03-31-2008	FECA Audit protocol	OWCP issues guidance for agency personnel requesting access to FECA data, or access to case file information, in FECA Circular 08-04
03-01-2009	No CPI given	Because the CPI-W Index dropped from 205.777 in December of 2007 to 204.813 in December of 2008, there is no FECA CPI increase in 2009
09-30-2009	Abolition of ESA	The Employment Standards Administration (ESA), the parent organization of OWCP, is abolished. The Director of OWCP now reports directly to the Secretary of Labor.
11-05-2009	Fort Hood shootings	An Army psychiatrist kills 13 DoD personnel (including one civilian) and wounds 30 others, civilian and military, in a mass shooting at Fort Hood, Texas.
02-18-2010	Attack on IRS Building in Austin, Texas	A man being audited by the IRS flew his single-engine plane into a building occupied by the IRS, killing one IRS employee and wounding 13 others at the building
07-19-2010	POWER Initiative	Presidential Initiative for injury reduction and improving injury reporting; covers 2010 through 2014
06-28-2011	Updated FECA regulations	Includes provision for schedule award to the skin (retro-active to 9-11-01), expands the distance of reasonable travel to a doctor to 50 miles, and mandates a system for electronic claims filing by agencies by 12-30-12
11-02-2011	ECOMP system becomes available	The initial component of ECOMP allowed for electronic document submission. The second component, released on 2-27-12, permitted electronic submission of such forms as CA-1 and CA-2. The third component, allowing agency access to FECA documents, is released on 5-13-13.
06-30-2012	FECA costs	FECA chargeback costs reach $3 billion ($3.005 billion)
06-26-2013	U.S. v. Windsor	The Supreme Court case of U.S. v. Windsor declares Section 3 of the Defense of Marriage Act unconstitutional. FECA is impacted because death benefits are paid to qualified spouses, and augmented benefits can be paid if the FECA beneficiary is married.
07-01-2013	Suspension of USPS access to FECA data and case files	OWCP suspends all USPS access to electronic FECA data, including limiting access to case files in OWCP District Offices; USPS did not believe that DOL regulations about access applied to them. Access is restored in September of 2014, after USPS and OWCP sign a Memorandum of Understanding (MOU).

Injury Compensation FECA Timeline

Date	Event	Importance
09-16-2013	Washington Navy Yard shootings	A Navy contractor shoots and kills 12 DoD personnel - 7 civilian employees, 5 contractors - at the Washington, DC Navy Yard, before being killed by police from D.C. and the U.S. Park Police. Multiple FECA claims are filed.
01-13-2015	Court decision on computation of service for retirement purposes	The U.S. Court of Appeals for the Federal Circuit issues a decision in Velma Thomas v. OPM, holding that FERS disability retirement employees in receipt of OWCP benefits who return to work after OPM's re-computation of benefits at age 62 get no credit for service unless they work for 5 full-time years
06-10-2016	Medical provider fraud	A Texas chiropractor, Garry Craighead, was sentenced to 14 years in prison and ordered to pay $18 million after billing OWCP for more than $200 million over 7 years, and receiving $98 million. Convictions of two other Texas medical providers due to FECA fraud would shortly follow – Mind Spa in August of 2016, and Team Work Ready in October of 2016.
10-19-2016	DFEC policy changes on compounded drugs	Responding to a hundredfold increase in the costs for compounded drugs under FECA – from $2 million on 2011 to $263 million in 2016 – DFEC issued policy guidance requiring a Letter of Medical Necessity signed by the physician before authorizing compounded drugs, and limiting authorizations to 90 days.

2017 HR Significant Benefits Updates

The U.S. Office of Personnel Management (OPM) has Government-wide responsibility and oversight for Federal benefits administration. The Benefits Administration Letters (BALs), Newsflashes and other important benefits information that are captured below provide guidance to the Human Resources community on Federal Retirement and Federal Employees Health Benefits, Flexible Spending Accounts and Long Term Care Insurance programs.

January 27, 2017	BAL 17-101: Additional Guidance on Military Deposits To remind agencies that an employee must pay military service credit deposit under CSRS and FERS to the agency before separation and in the event of an administrative error related to the military service credit deposit, has the opportunity to make or complete the military deposit after separation.
February 7, 2017	BAL 17-801: The Federal Flexible Spending Account Program (FSAFEDS): 2017 Administrative Fees To notify agencies that the Federal Flexible Spending Account Program (FSAFEDS) reserve account fee and administrative fees will not change for the 2017 benefit period.
March 7, 2017	BAL 17-102: Annual Changes This BAL updated information that changes annually, such as interest rates and cost-of-living adjustments for CSRS and FERS annuity recipients. This BAL contains the figures for 2017.
June 16, 2017	BAL 17-201: Information to Fulfill Mandatory Reporting Requirements for Plan Year 2017 under Internal Revenue Code Sections 6056 and 4980H This BAL provides information on Employers and Federal Agencies that are subject to the Employer Shared Responsibility provisions which states that employers must either offer health coverage that is “affordable” and that provides “minimum value” to their full-time employees (and offer coverage to the full-time employees’ dependents), or potentially make an employer shared responsibility payment to the IRS, if at least one of their full-time employees receives a premium tax credit for purchasing individual coverage on a Health Insurance Marketplace (Marketplace), also called the Exchange.

2017 HR Significant Benefits Updates

June 2017	BAL 17-302: CSRF for VSIPs/VERAs Processing Costs for Fiscal Year 2017 To advise agencies that processing cost payments to the Civil Service Retirement and Disability Fund (CRSDF) for Voluntary Early Retirement Authority (VERA) retirements and retirements with a Voluntary Separation Incentive Payment (VSIP) are to continue under the Consolidated Appropriations Act, 2017 (Public Law (P.L) 115-31). For Fiscal Year 2017, the average unit cost of processing VERAs and retirements with a VSIP that must be used to determine the amount the employing agency must pay into the CSRDF is $127.86.
August 17, 2017	BAL 17-202: FEGLI Processing Reminder, Email Messages and Additional Guidance for FEGLI Open Season Elections A reminder for to civilians and active duty military reservists about the impending changes to FEGLI coverage.
August 17, 2017	BAL 17-203: Federal Employees Health Benefits (FEHB) Program Enrollment of Seasonal, Part-Time or Intermittent Employees BAL exists to provide further guidance to agencies on how to handle the enrollment of temporary, seasonal, or intermittent employees who were previously eligible for FEHB.
September 20, 2017	BAL 17-402: 2017 Federal Benefits Open Season: Ordering and Distributing Materials This BAL provides the resources and materials needed, such as flyers, pamphlets and the such, to ensure that Federal Employees are briefed on the Federal Benefits for this coming November.

2017 HR Significant Benefits Updates

October 6, 2017	BAL 17-403: Federal Benefits Open Season: Conducting the Open Season This Benefits Administration Letter (BAL) is the third in the series of 2017 Federal Benefits Open Season BALs. This BAL (17-403) provides instructions on conducting the Federal Benefits Open Season.
October 17, 2017	BAL 17-404: Federal Benefits Open Season: FSAFEDS, FEDVIP and FEHB Program Significant Plan Changes This Benefits Administration Letter (BAL 17-404) is the fourth in the series of 2017 Federal Benefits Open Season BALs for the Federal Flexible Spending Account Program (FSAFEDS), the Federal Employees Dental and Vision Insurance Program (FEDVIP) and the Federal Employees Health Benefits (FEHB) Program. This BAL provides information on significant plan changes for FSAFEDS, FEDVIP, and the FEHB Program for 2018.
October 25, 2017	BAL 17-401: w/Attachment 4 Circle Diagram. This BAL was updated to reflect that the IRS increased the contribution amount limit for 2018 going from $2,600 to $2,650. The attachment that was updated is to be dispersed for information during Open Season for Federal Employees.
December 28, 2017	OPM provided the Employer Shared Responsibilities FastFacts via email on the Internal Revenue Service (IRS) Form 1095-C that Federal employees receive from their agencies and Shared Service Centers (SSCs) concerning their Federal Employees Health Benefits (FEHB) coverage. Employees and annuitants with FEHB coverage will receive the IRS Form 1095-C showing they received an offer of FEHB coverage for Plan Year 2017. Annuitants who were employed a portion of the year will also receive an IRS Form 1095-C from their former employer. Otherwise, annuitants will not receive this form. For general information about the IRS Form 1095-C and IRS Form 1095-B (Form from FEHB plans regarding health coverage), employees and annuitants may refer to the FastFacts that were provided.

PAGE INTENTIONALLY LEFT BLANK

WHOLE PERSON · WHOLE CAREER
BENEFITS • WAGE • NAF Policy
Our Service Sustains Your Service

Wage

Wage Program Synopsis and Mission

Wage is the DoD leader in the oversight and administration of the Federal Wage System (FWS) with oversight from the Office of Personnel Management (OPM). The surveys guarantee labor participation to develop pay lines and establish equal pay for equal work to attract and retain qualified personnel within a local area. The prevailing rate workforce includes the Federal trade, craft, and laborer employees paid from appropriated funds (AF) and nonappropriated funds (NAF). Wage continues to strive to be innovative and fiscally responsible in the survey process to strengthen mission readiness and support the war fighter.

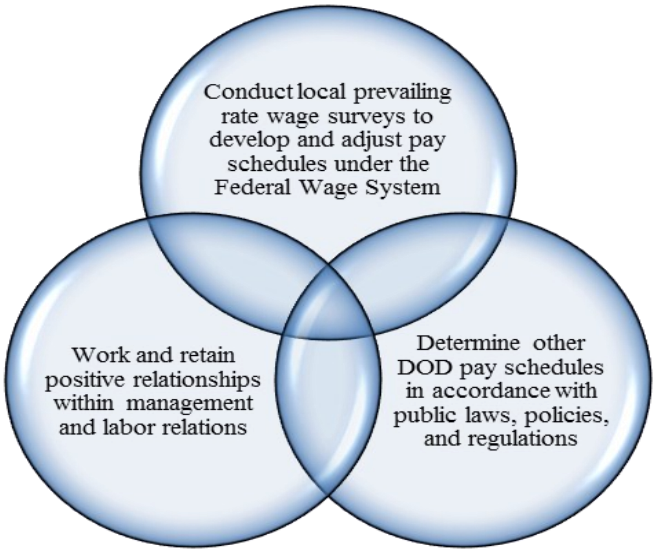
Goals:

- Build and cultivate strategic partnerships and conduct outreach to improve customer service.
- Continuously advance our effectiveness, efficiency, and adaptability to delivery high-impact results which satisfy our customers' requirements.
- Support the Department's mission to the war fighter through service, loyalty, and quality results.
- Celebrate collaboration, communication, and teamwork to get the job done.
- Promote honesty and trust to deliver the highest quality HR products and services.

Wage Missions

Scope of Operations:

- Wage conducts FWS annual surveys and establishes pay schedules for blue-collar employees government-wide. The surveys are on a 2-year cycle, with a full-scale site visit and an interim phone survey. The law (chapter 53, subchapter 4 of Title 5, United States Code) mandates the



determination of pay schedules within 45 working days from the order date
- Conducted 130 AF and 118 NAF FWS wage surveys; issued 1,650 FWS wage schedules on time
- Issued over 500 Special Rate schedules including DoDDS Overseas Educators & Principals, USUHS faculty, Defense Language Institute faculty and schedules for various medical occupations.

- Employees impacted across the Federal workforce:
  - 174,500 appropriated fund FWS employees including all Federal wage grade employment (DoD and non-DoD) and represents over $12 billion in payroll
  - 145,500 employees covered by special rate schedules
  - 62,000 NAF FWS employees
  - 43,000 NAF pay band employees
  - 32,000 NAF overseas employees

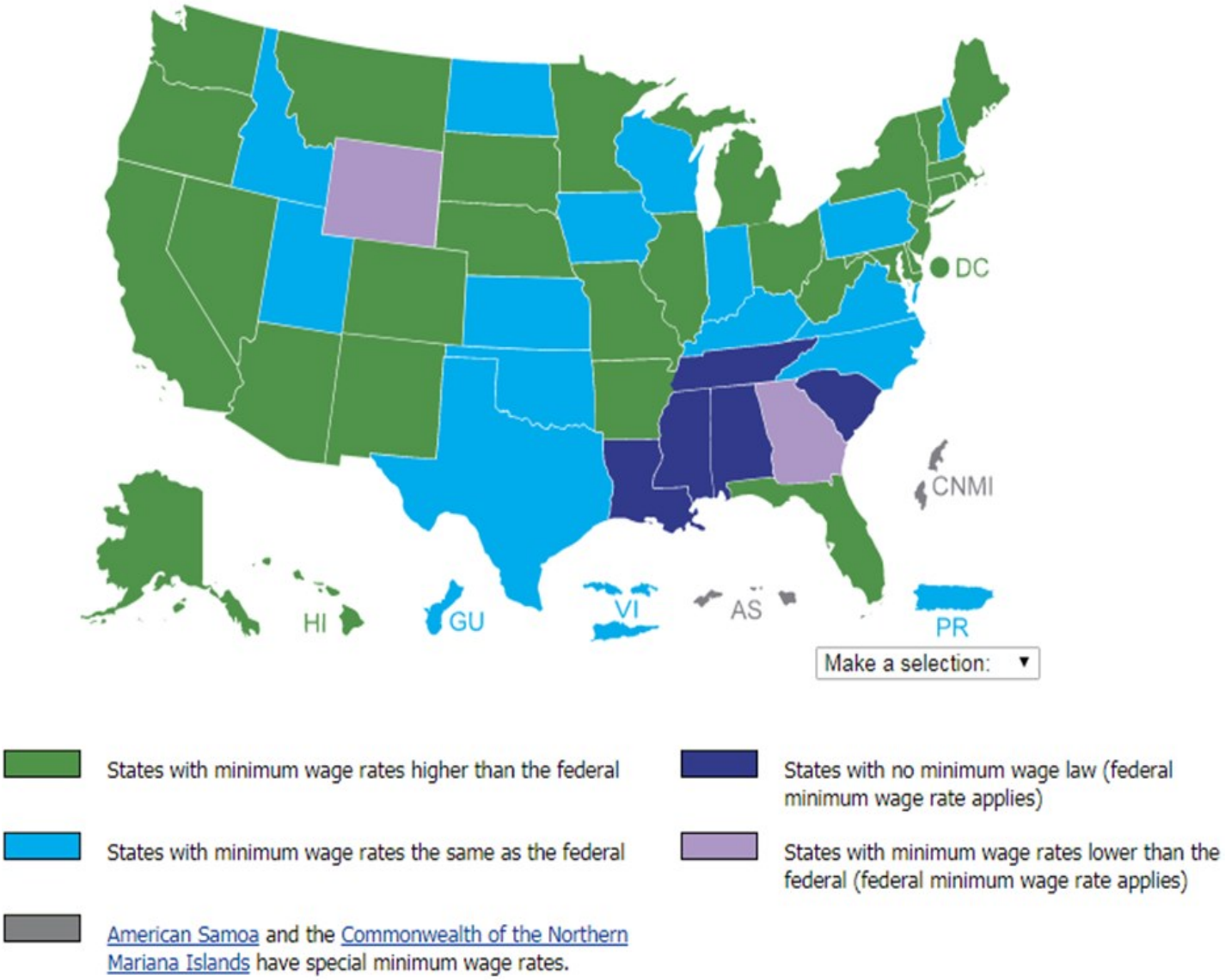
Wage 2017 Accomplishments and Impact

Policy Updates:

- DoDI 5120.39. Updated the 'DoD Wage Fixing Authority – Appropriated Fund & Nonappropriated Fund Compensation Program' Instruction, incorporating change 1, July 26, 2017.

Minimum Wage:

- Wage tracks over 90 state and locality minimum wages in the United States and accompanying territories. The map colorizes these areas based on the relationship of the state/territory minimum wage as compared to the federal minimum wage of $7.25:

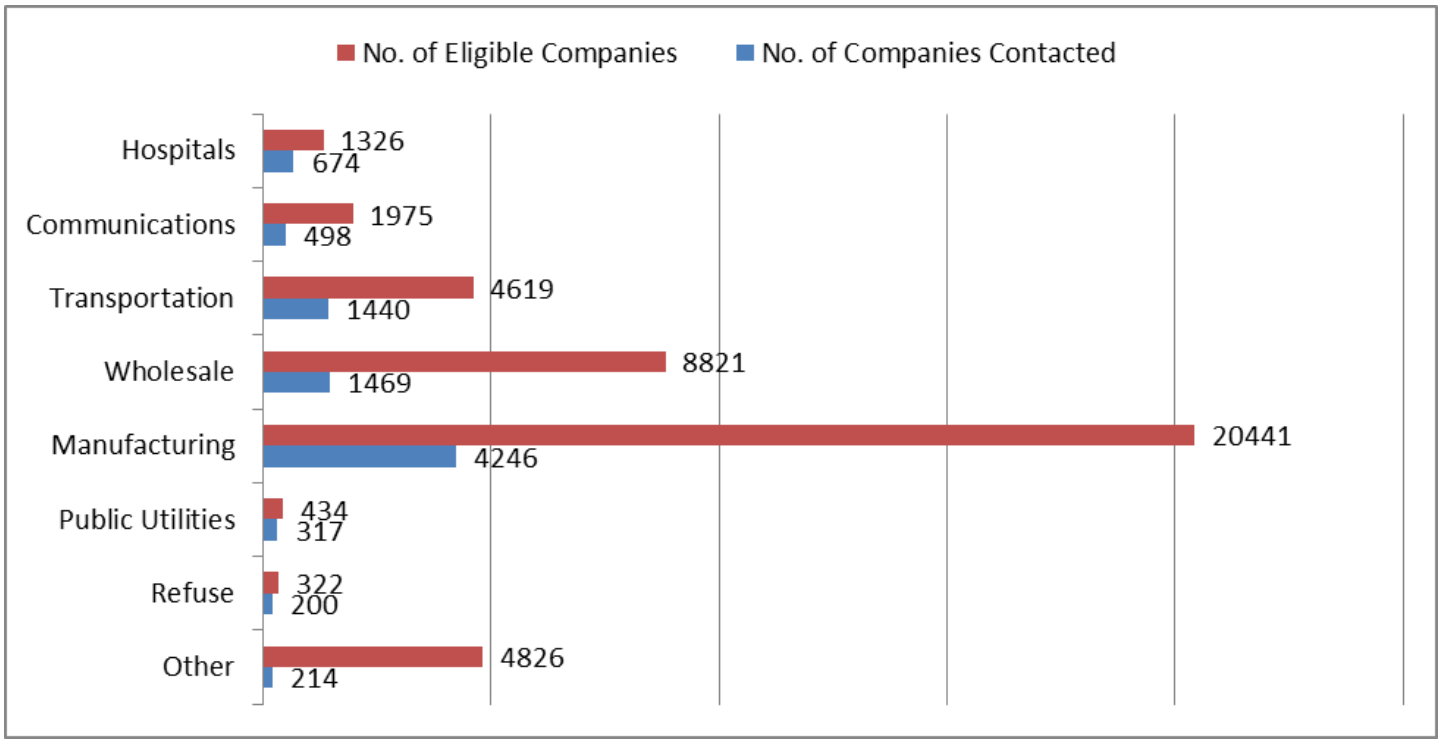


- Identified and adjusted wage schedules to comply with new minimum wage laws.
  - Increased minimum rates in 40 NAF wage areas, affecting 58 wage schedules in 14 states and the District of Columbia.
  - Increased minimum rates in 6 AF wage areas, affecting 8 wage schedules in 3 states and the District of Columbia.

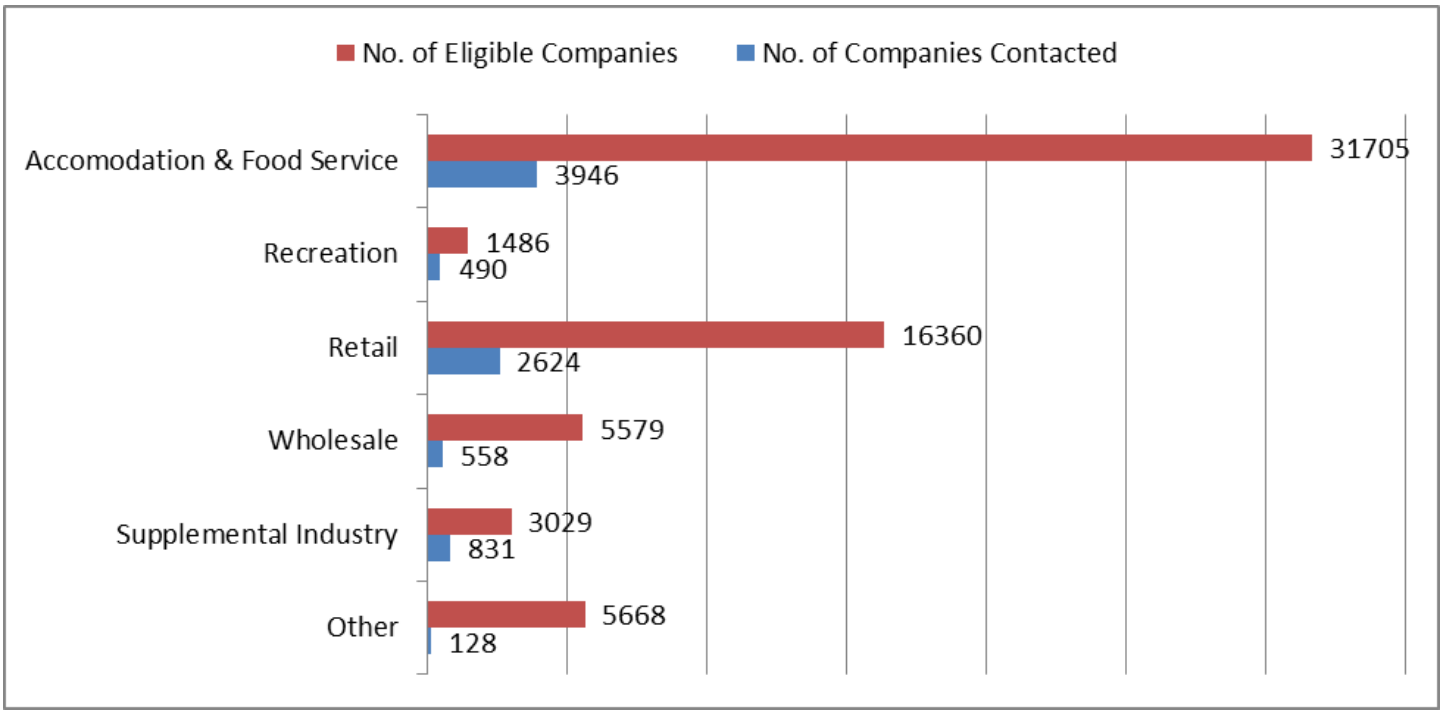
Wage Survey Industries

Survey Industries:

- Participation rates exceeded 66% for the year, which is outstanding for the salary survey industry average (frequently less than 10%).
- Eligible companies are determined by the OPM Operating Manuals for AF and NAF, the North American Industry Classification System (NAICS), and survey specifications.
- AF had over 42,000 eligible companies in the survey areas and sampled 21.1% of the companies in the last year. The AF industry company breakout is:



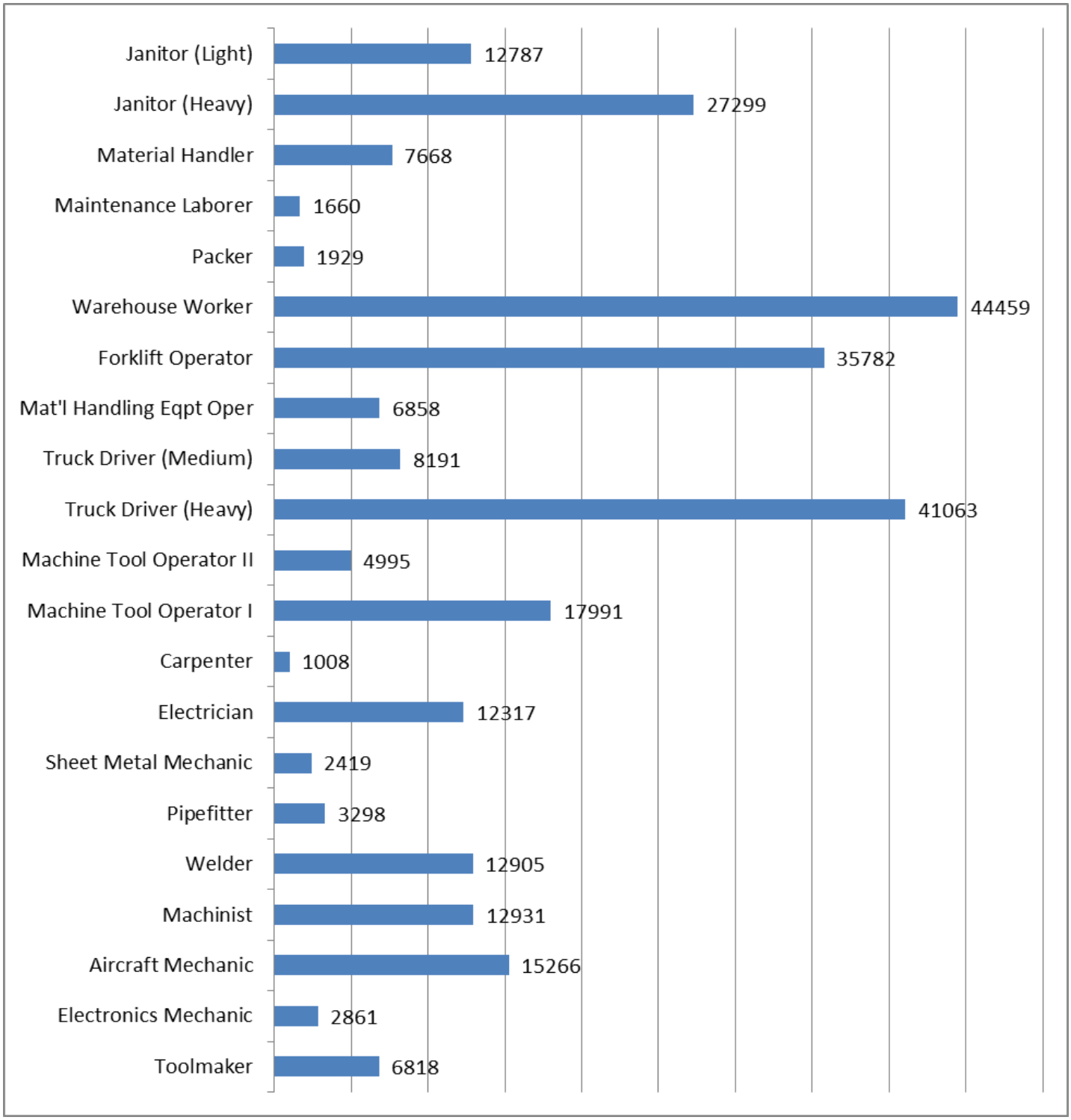
- NAF had almost 64,000 eligible companies to survey in the survey areas and sampled 13.4% of the companies. The NAF industry company breakout is:



Wage Data Collection

- Additional jobs:
  - AF has 33 optional jobs plus 3 added jobs for hospitals
  - NAF has 11 optional jobs

- AF collected over 330,000 weighted samples from survey participants
  - Weighted AF samples collected in full scales for the required jobs:



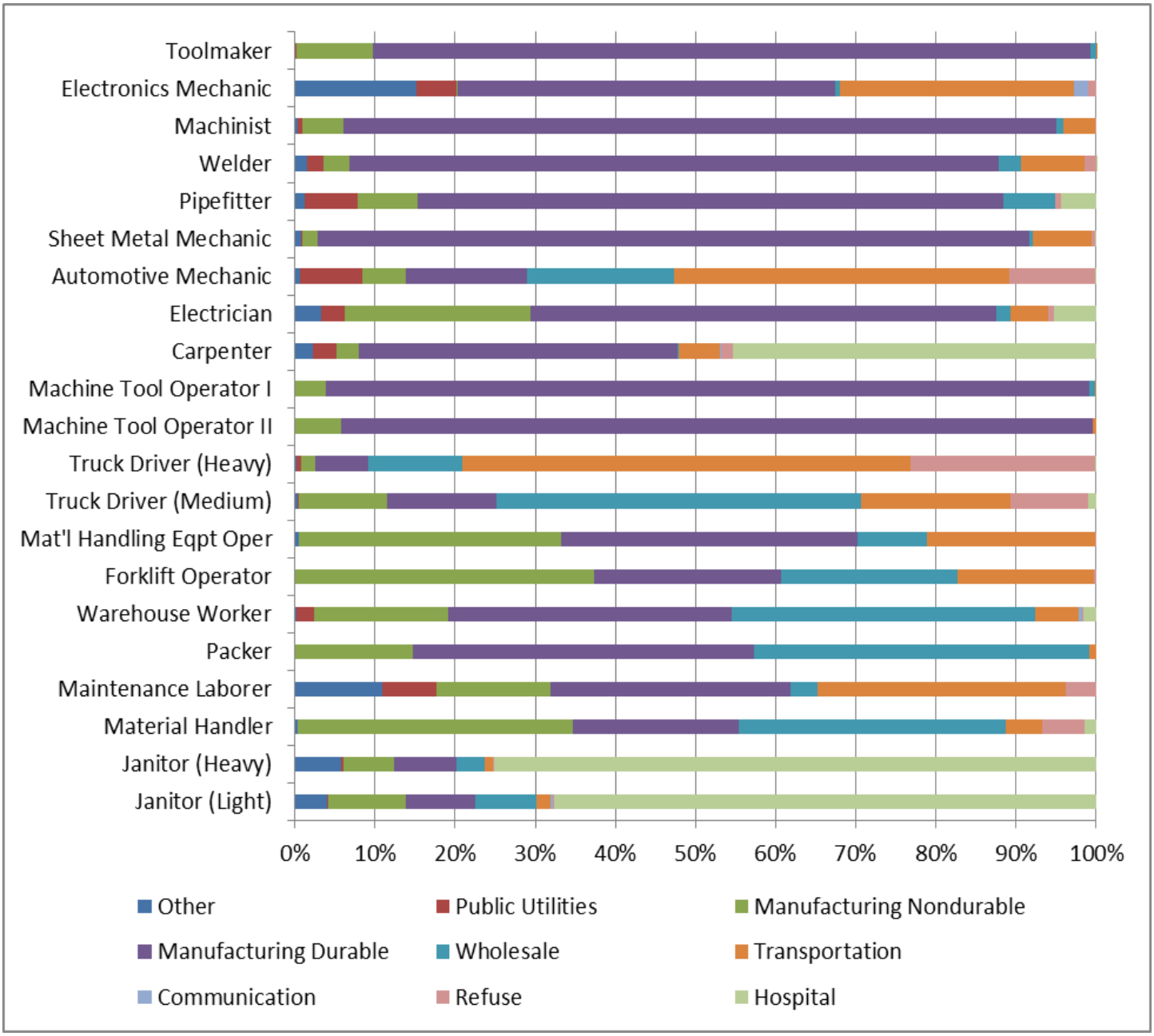
Wage Data Collection (cont.)

- Data collection for any given survey is less than a month's time (averaging 2 weeks), a very quick turnaround time for the industry
- There are 21 AF and 21 NAF required survey jobs:

Job Title	Grade Level	AF	NAF
Janitor (Light)	1	X	X
Food Service Worker	1		X
Fast Food Worker	2		X
Janitor (Heavy)	2	X	X
Food Service Worker	2		X
Material Handler	2	X	
Laborer (Light)	2		X
Maintenance Laborer/Laborer (Heavy)	3	X	X
Service Station Attendant	3		X
Packer	4	X	
Stock Handler	4		X
Short Order Cook	5		X
Warehouse Worker	5	X	X
Forklift Operator	5	X	
Material Handling Equipment Operator	5	X	X
Service Station Attendant	5		X
Truck Driver (Light)	5		X
Truck Driver (Medium)	6	X	X
Truck Driver (Heavy)	7	X	X
Cook	8		X
Machine Tool Operator II	8	X	
Machine Tool Operator I	9	X	
Carpenter	9	X	X
Painter	9		X
Electrician	10	X	X
Automotive Mechanic	10	X	X
Sheet Metal Mechanic	10	X	
Pipefitter	10	X	
Welder	10	X	
Machinist	10	X	
Electronics Mechanic	11	X	
Tool Maker	13	X	

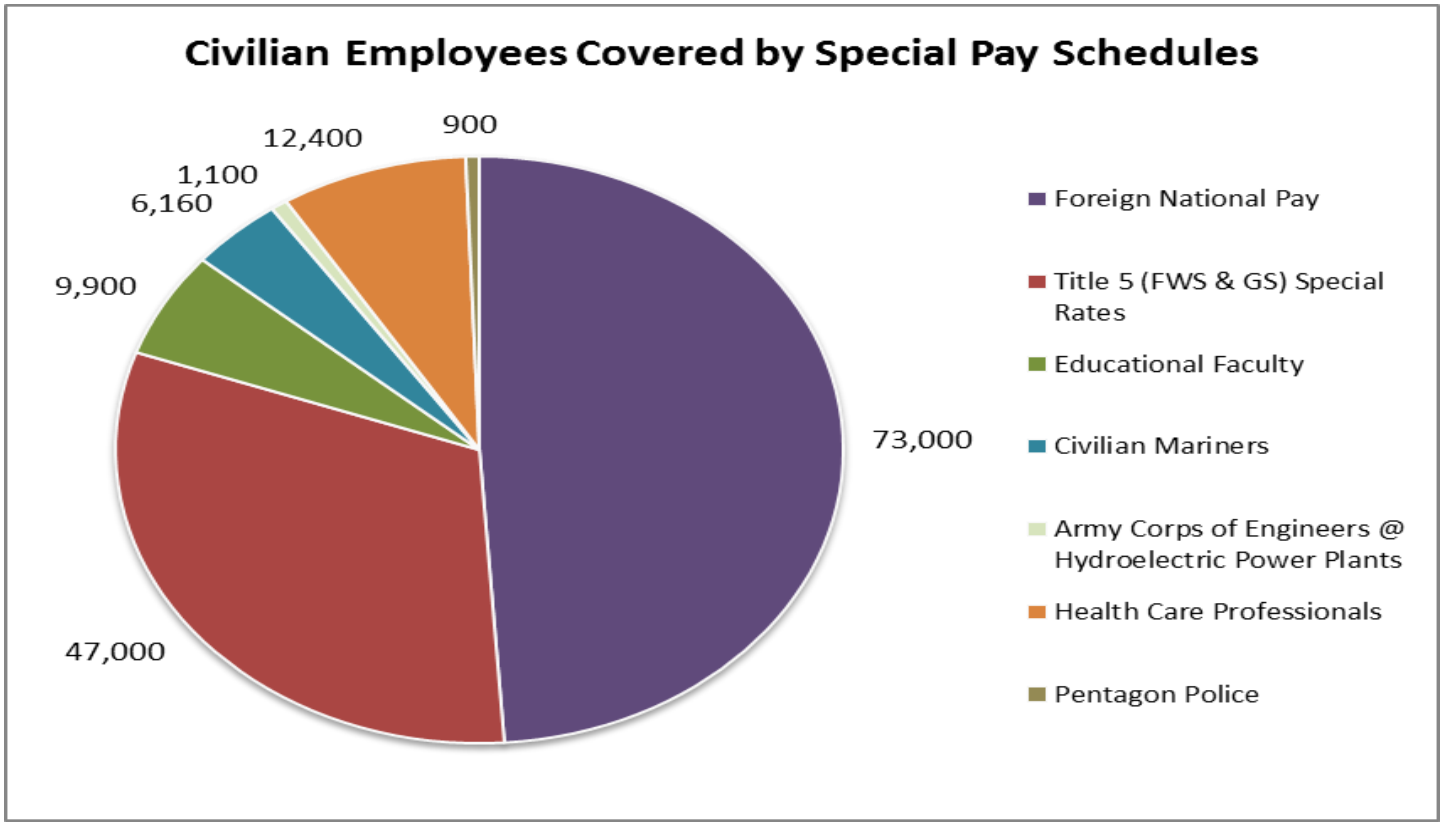
Wage Data Collection (cont.)

- AF distribution of survey job observation by industry group for required jobs:



Wage Special Pay Programs

Wage also conducts occupational/industry surveys to establish pay for overseas DoD educators, civilian mariners, power generation employees, health care professionals and educators, foreign language professors, foreign national pay programs, and white collar/General Schedule special rates programs.



Pay Plan	Number of Employees	Number of Schedules
Corps of Engineers Power Plant	1,100	5
Defense Language Institute Foreign Language Center	1,600	1
Floating Plant	885	90
Foreign National Pay	73,000	48
Hopper Dredge	172	4
Lock & Dam	1,603	69
Military Sealift Command	3,500	8
Overseas Educators	8,000	16
Pentagon Police	900	1
Physicians and Dentists Pay Plan	2,400	1
Title 38 (Medical) Special Salary Rates	10,000	255
Title 5 (FWS & GS) Special Rates	47,000	162
Uniformed Services University of the Health Sciences	300	4
Totals:	**150,160**	**660**

WHOLE PERSON · WHOLE CAREER

BENEFITS • WAGE • NAF Policy

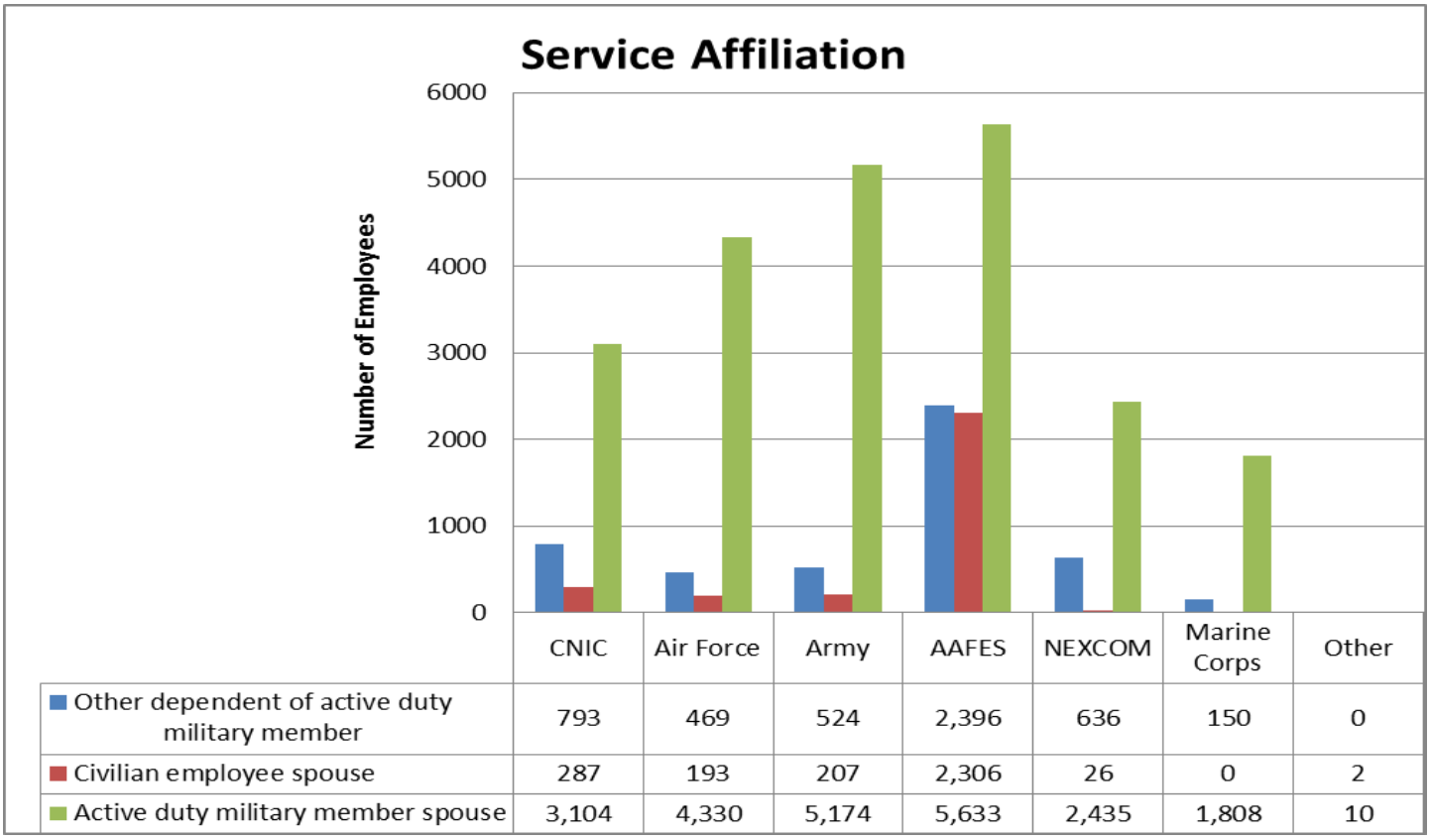
Our Service Sustains Your Service

NAF Personnel Policy

Nonappropriated Fund (NAF) Personnel Policy
Program Synopsis and Mission

The Nonappropriated Fund (NAF) Personnel Policy Division, Defense Civilian Personnel Advisory Service (DCPAS), develops fair, equitable, and streamlined Human Resources (HR) policies for the DoD NAF workforce and ensures NAF HR policies and programs, mandated by law or regulations, are properly applied throughout the Department. Primary functions include developing, coordinating, publishing, and maintaining DoD NAF HR policy; providing informed NAF HR advice to OSD leadership; administering the DoD-wide NAF Health Benefits Program (HBP) in collaboration with the DoD Components; providing advisory services to the DoD Components; and developing and coordinating proposed legislation as necessary.

- The NAF workforce includes approximately 122,748 NAF employees as of August 2017 with 125 deployed as of October 2017.
- DoD Component NAF employers include the Department of the Navy (Navy Exchange Service Command (NEXCOM), Commander, Navy Installations Command (CNIC), and Marine Corps), the Department of the Army, the Department of the Air Force, and the Army and Air Force Exchange Service (AAFES) along with smaller DoD Agencies.



	CNIC	Air Force	Army	AAFES	NEXCOM	Marine Corps	Other
Other dependent of active duty military member	793	469	524	2,396	636	150	0
Civilian employee spouse	287	193	207	2,306	26	0	2
Active duty military member spouse	3,104	4,330	5,174	5,633	2,435	1,808	10

Each NAF Component employs individuals affiliated with a military service outside of their employment, including military spouses, civilian employee spouses, and military dependents.

This graph shows the number of employees tied to the services and federal government through a familial relation.

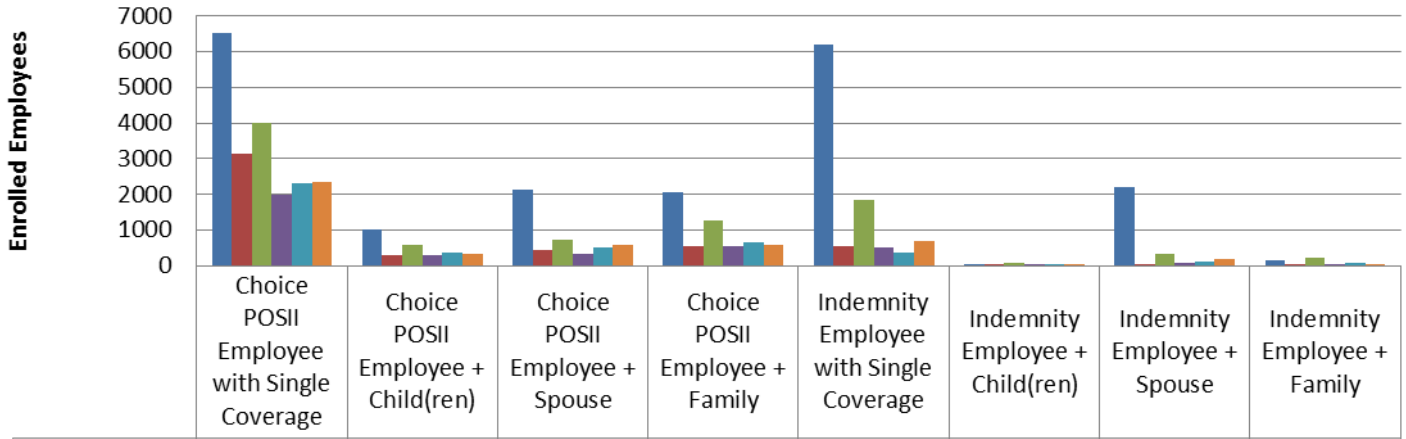
NAF 2017 Program Highlights

Policy and Issuances:

- Preparing for informal coordination of DoDI 1400.25, Volume 14xx, “DoD Civilian Personnel Management System: Program Evaluation.”
- Submitted DoDI 1400.25, Volume 1408, “DoD Civilian Personnel Management System: Insurance and Annuities for Nonappropriated Fund (NAF) Employees, Incorporating Change 1, effective July 11, 2016” for internal coordination for reissuance. The revised volume updates the format using the latest IAW DoD issuances standards, replaces USD(P&R) authority with ASD(M&RA) authority, adds Deputy Assistant Secretary of Defense for Military Community and Family Policy (DASD(MC&FP)) and the Defense Human Resources Activity (DHRA) to responsibilities, and adds language that gives DoD Components the discretion and flexibility to offer provisions as early retirement and “phased” retirement as part of their employee retirement plans.
- Substantive Change #1, DoDI 1400.25, Volume 1401, “DoD Civilian Personnel Management System: General Information Concerning Nonappropriated Fund (NAF) Personnel Policy,” effective November 17, 2017; eliminated same-sex domestic partner language IAW with the 2015 Obergefell decision which legalizes same-sex marriage throughout the United States.
- Substantive Change #1, DoDI 1400.25, Volume 1406, “DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Attendance and Leave,” is at Stage 4 Security review of DoD Issuances Process. Provides 30% service-connected disabled veterans up to 104 hours of sick leave for related care during their first year of Federal employment in accordance with the Wounded Warriors Federal Leave Act, effective November 2016.
- Published update to the "DCPAS Portability of Benefits Reference Guide" pertaining to moves between civil service and NAF positions. https://www.cpms.osd.mil/Content/Documents/Portability-of-Benefits-Reference-Guide.pdf.

Pay, Awards, and Performance Management:

- Issued 2018 NAF Awards guidance.
- Issued Senior Executive Pay and Performance System Closeout Guidance for Fiscal Year (FY) 2017 Performance Appraisal Period.
- Opening guidance pending for the FY 2018 Senior Executive Pay and Performance System Performance Appraisal Cycle.
- Coordinated validation of DoD Component NAF Senior Executive (NF-6) Performance Appraisal results covering 32 positions – Department of the Army, Fourth Estate, Department of the Navy and AAFES.
- Coordinated the certification of the DoD NAF Fund Senior Executive Performance Appraisal System for the period of July 1, 2017 through June 30, 2019.



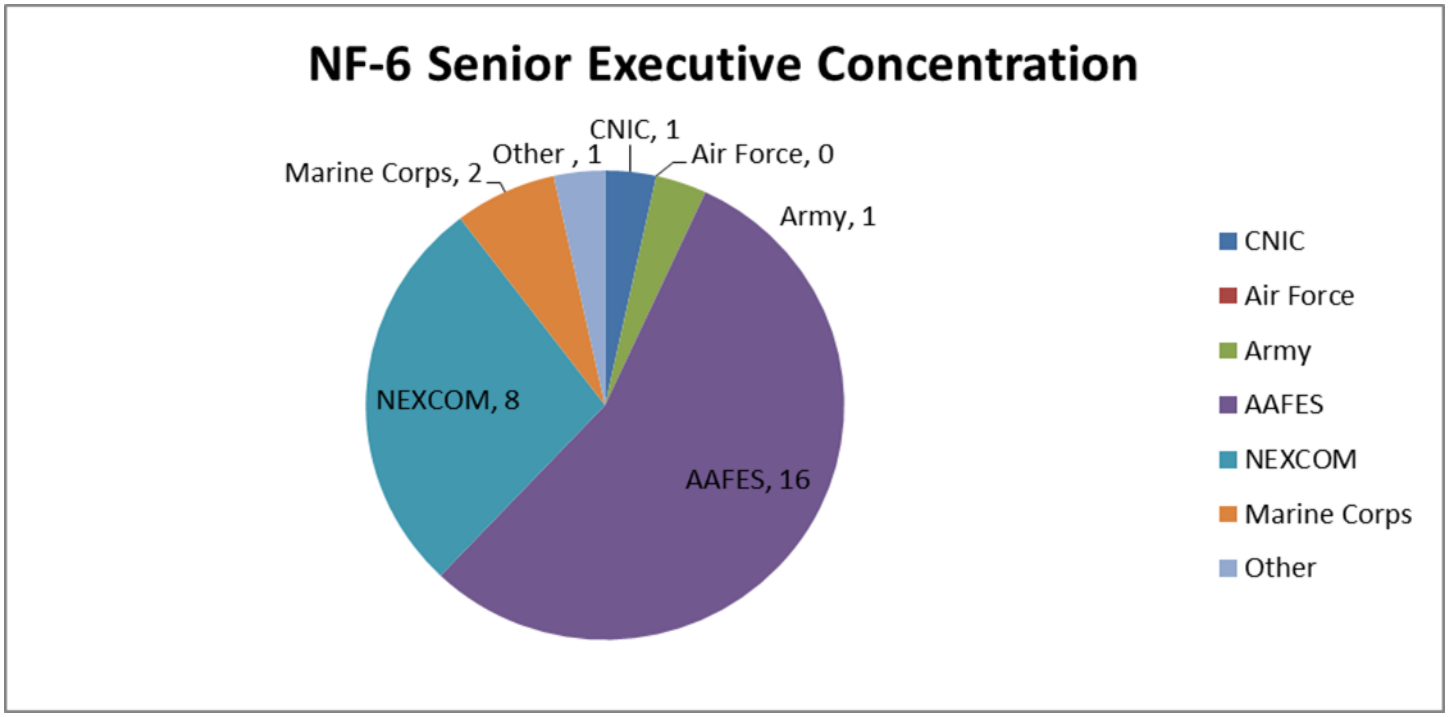
	Choice POSII Employee with Single Coverage	Choice POSII Employee + Child(ren)	Choice POSII Employee + Spouse	Choice POSII Employee + Family	Indemnity Employee with Single Coverage	Indemnity Employee + Child(ren)	Indemnity Employee + Spouse	Indemnity Employee + Family
AAFES	6534	1023	2128	2046	6214	59	2213	144
Air Force	3127	316	444	558	568	26	63	46
Army	4015	582	734	1280	1858	72	331	215
Marine Corps	1987	297	353	547	524	30	88	43
CNIC	2325	387	508	670	366	29	104	100
NEXCOM	2355	323	593	589	696	16	207	34

NOTE: The enrollment numbers do not include HMO participants.

NAF Health Benefits Program:

- 79,512 insured in medical plans (PPO and Indemnity).
- 84,142 insured in the dental plan.
- 14,580 insured in the stand alone dental plan.
- There were with more than $321 million in paid claims in 2017. Pharmacy costs amounted to more than $126 million (25.67% of total). The third option period modification was signed, extending the third party administrator contract with Aetna through December 31, 2018.
- RFP Solicitation for Third Party Administrator of NAF Health Benefits closed October 2, 2017. Army Contracting coordinated the processing proposal. The Technical Evaluation Board met from November 13-17 in San Antonio, TX to review the Offeror's proposals. The new contract begins on January 1, 2019..
- In FY17 the NAF Health Benefits Program (HBP) Committee:
- Developed 2018 Open Season guidance, communications plan, and established premiums. Medical premium did not increase. Stand-alone Dental premium rates increased 2.7%.
- Developed an open enrollment video which may be viewed on nafhealthplans.com.
- Provided multiple NAF Benefits presentations to facilitate decision making during Open Season.
- Deloitte Consulting, LLC submitted their final analysis of Medicare Part D Creditable Coverage for the Department of Defense's 2018 prescription drug benefits program. Both of the prescription drug benefit plan options (Aetna Choice POS II Plan - Active and Retiree & Aetna Traditional Choice Indemnity Plan - Active and Retiree) qualify as Creditable Coverage.

NAF Senior Executives and NAF Retirement Program



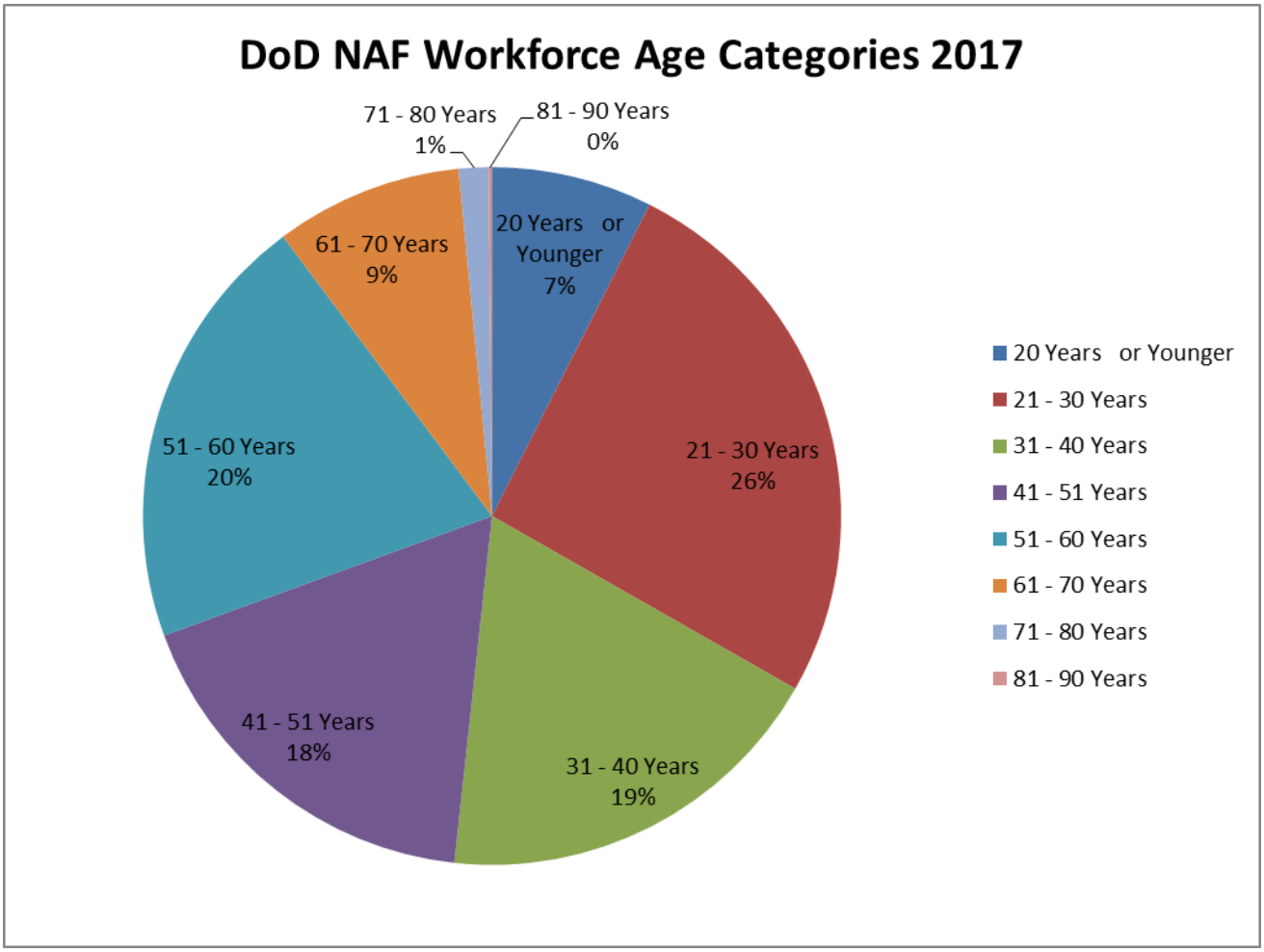
The Nonappropriated Fund Components each have an executive suite that consists of NF-6 Senior Executives. This chart shows the concentration of these executives within each component, as a percentage of the total NF-6 Senior Executive population. For example, AAFES has 55% of the total NF-6 Senior Executives in the NAF service.

NAF Retirement Program:

- Executed oversight of seven DoD Component NAF retirement plans, representing approximately $7.5B in assets, sponsored by six NAF employers.
- Using contracted actuaries, independently analyzed each retirement plan's annual actuarial valuation report, providing surveillance of key indicators regarding financial soundness (e.g., funded ratios, reasonableness of assumptions used, improvements needed, etc.).
- All of the NAF retirement plan reports met commonly accepted valuation standards and the policy requirements specified in DoD Instruction 1400.25, *Volume 1408*, "DoD Civilian Personnel Management System: Insurance and Annuities for Nonappropriated Fund (NAF) Employees, Incorporating Change 1, effective July 11, 2016".

Staffing:

- Participated in Suitability and DoD Consolidated Adjudication Facility working groups; provided input to ensure proper representation of NAF employees and employment procedures in policy and guidance.



Employee and Labor Relations:

- NAF Shutdown Furlough Guidance updated.
- Coordinated and collaborated with LERD to provide NAF policy clarification and interpretation regarding seven collective bargaining agreements.
- Coordinated and collaborated with LERD to provide NAF policy clarification and interpretation regarding arbitration cases and unfair labor practice cases (ULPs).

NAF Initiatives and Accomplishments

New Initiative - HR Program Evaluation:

- The NAF Program Evaluation tool will determine whether the policies and procedures of the DoD NAF HRM system and that of its six components operate in accordance with DoD policies and the Office of Personnel Management (OPM) Interchange Agreement (IA)
- Draft of a new volume to DoDI 1400.25 outlining procedures for measuring, analyzing, and evaluating the DoD NAF HRM system has been informally coordinated

Administrative:

- Participated in annual MWR and Exchange briefings to the Acting DASD (MC&FP)
- Coordinated 2017 NAF budget process for Wage and NAF Personnel Policy including soliciting component concurrence and PDUSD (P&R) approval
- The NAF Health Benefits Consultant Contract was opened for competitive bids, using the "Best Value" method. Deloitte Consulting, LLC was awarded the contract to provide consulting services which aid in the administration of the DoD NAF Health Benefits Plan and provide assistance with oversight of the NAF Component Retirement Plans.
- DCPDS HR Database Consolidation & Single Employee Record (SER) Working Group established. Only Army NAF, AF NAF, and DLA NAF are in DCPDS. AAFES, NEXCOM, CNIC, and Marine Corps have their own HR personnel systems. The Department has identified the need to move from a human resource management-focused, transactional processing solution that contains civilian employee records in separate databases to an employee self-service-focused system that provides a single, comprehensive transactional record for civilian employees, resulting in more efficient and streamlined human resource processes.
- DMDC is still working to resolve data file inconsistency issues and to improve DoD NAF reporting mechanisms. Lag-time of 60 – 90 days for posting of statistical data submitted to DMDC is a concern as is the elimination of the tool that housed the monthly NAF data reports
- Staffing Changes: August – On-boarded (2) NF-4 HR Specialists.

New and Emerging Initiatives

BENEFITS AND WORK LIFE PROGRAMS:

- Develop Special Retirement Audit Process.
- Implement Benefits Advisor Credentialing Program.
- Create Virtual Benefits Counseling.
- Host Benefits & ICUC Training Symposium.
- Develop Emergency and Casualty Reporting Process.
- Complete Work Life Program DoDI.
- Create Programs for Child Care/Nursing Mothers/Childbirth Awareness.
- Develop Retiree Portal.
- Generate Deferred Retirement Estimates for former DoD employees by request.
- Develop ICUC Road Map for Long-Term OWCP Recipients.
- Move forward with establishing Pharmacy Benefits Program for the Department.
- Hold the 2018 Benefits and ICUC Training Symposium.
- Implement FECA Program Review Process across the Department.
- Rework and improve the ICUC website.
- Hold an ICPA Beginners classroom training.
- Develop ICPA Intermediate classroom training.
- Develop standardized Chargeback code change process.
- Finish Development of DIUCS UC function.
- Develop standard agency profiles for Injury compensation data.

WAGE:

- The Federal Prevailing Rate Advisory Committee (FPRAC) met only once in 2017. FPRAC meets at the request of the Chairman, a position vacant since January 2017. The Committee studies the prevailing rate system makes recommendations on the system to OPM.
- Continue to monitor the state and locality minimum wage changes and send updates to the staff. Wage schedules are updated as needed and distributed to the Chairman of the affected areas and posted on the DCPAS public website.
- Current contract to modernize the Wage tool. The new tool will improve efficiency and ease of operations.
- Federal register rule changes. Wage is working with OPM on proposed changes, such as area redefinitions, GS locality changes, and wage area abolishment. Ensure approved changes are implemented and reflected in the Wage tool, on applicable pay schedules, and that relevant stakeholders are notified.
- NAICS updates. Working with OPM to update the system from the 2012 to 2017 NAICS Manual by providing technical advice and opinions on proposed changes to NAICS codes
- Members from the Wage team are working to improve the current DCAPS-Wage website. The content driven website will provide pertinent Wage information, with an enhanced visual experience.

NAF:

- Preparing for revision of DoDI 1400.25, Volume 1405, “DoD Civilian Personnel Management System: NAF Pay, Awards and Allowances, and Volume 1412, “DoD Civilian Personnel Management System: NAF Overseas Allowances and Differentials, and Employment in Foreign Areas.

New and Emerging Initiatives (cont.)

- To further improve portability of benefits guidance, we plan to establish a working group to periodically review and discuss issues related to moving DoD employees between civil service and NAF positions.
- Implement changes to the NAF Health Benefits Plan through established procedures to comply with the Affordable Care Act and other applicable laws and regulations.
- Work with Components to implement a high-deductible medical plan option for plan year 2019.
- Due to the June 26, 2015 Obergefell decision which legalized same-sex marriage throughout the United States, we will continue to work the phase-out of benefits to DoD NAF civilian employees' same-sex domestic partners and their dependents.
- Continue to work with OPM and Labor and Employee Relations Division (LERD) to find a solution that allows NAF Human Resources professionals in all of the Components to take Suitability and Fitness Adjudicator training in order to comply with the requirements in DoDI 1400.25, V731.
- Continue to work with the Defense Commissary Agency (DeCA) during their planning for a potential change from a civil service workforce to a NAF workforce. If workforce transformation is directed, we will provide support to them across all areas of NAF HR Policy and will facilitate cooperation between DeCA and the other DoD NAF employers.