



**2022**

# Benefits, Wage & NAF Policy (LOB3) End of Year Report



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## Introduction

Greetings Friends and Colleagues,

It has been another stellar year and you have been an enormous part of the many great things we have accomplished this past year! Our Team implemented several key changes in policies and programs that directly and positively impacted our Department of Defense (DoD) workforce. In keeping with Secretary of Defense Austin's goal of "Taking Care of People," we have consistently made advances towards the "Future of Work!"

Our Wage and Nonappropriated Fund (NAF) Policy Teams led the way by implementing a \$15.00 per hour minimum wage for our Appropriated Fund and NAF employees in accordance with the January 21, 2022, Director, Office of Personnel Management (OPM), issued Compensation Policy Memorandum (CPM) 2022-02, "Achieving a \$15 Per Hour Minimum Pay Rate for Federal Employees." This achievement has helped raise the pay for over 60,000 Federal employees in an effort to provide them and their families with a better quality of life.

Our Benefits Team has worked with DoD Components to identify approximately 20,000 Federal Employees Retirement System (FERS) coding errors. The Benefits Team and the Defense Finance Accounting Service (DFAS), in collaboration with Components, developed an action plan to verify query results, rectify actual errors, monitor progress on corrections, and notify affected employees of any indebtedness, and options for repayment and/or request for a debt waiver. This group also identified mitigation strategies to prevent future coding errors.

This year we also hosted the 2022 DoD Benefits and Work -Life Programs Symposium. This was a week-long event and the theme was "Evolve, Expand, Excel: Emerge to Greater Heights." There were over 600 attendees from DoD and other Agencies across the Federal Government; 90 percent of the participants felt it was an excellent experience. We thank all of you who participated and look forward to our next event.

The Work-Life Team focused on completing the final draft of our Telework and Remote Work DoD Instruction (DoDI). This DoDI will provide in-depth information on both programs, as well as information on the Domestic Employees Teleworking Overseas Program.

Our Employee Assistance Program (EAP) Team worked on increasing employee awareness and worked in conjunction with the Work-Life Team to roll-out a Mental Health and Wellbeing Campaign. The campaign's objective is to raise awareness about mental health and ways to improve wellbeing. Toolkits and promotional materials were provided to support the over 500,000 civilian employees currently serviced by Magellan.

The Unemployment Compensation Team has worked with State unemployment offices to implement the use of the DoD Secure Access File Exchange tool. This allows the Team to provide faster responses to requests for information from the States, as well as ensure the protection of former employees' personal identifiable information. It also allows Components to manage costs for the unemployment compensation program.

## Introduction (cont.)

Finally, our Injury Compensation Team worked with the Training and Credentialing Team to launch and pilot credentialing tests for both Levels I and II of the Injury Compensation Program Administrator (ICPA) credentialing training. The Team is also in the final stages of implementing their Program Review Initiative. This will nicely complement and integrate with the ICPA Level III training that is under development for Component Injury Compensation Program managers.

As you can see, we have had a very busy year and this report aims to provide a comprehensive overview of the recent changes in Federal workforce policies and programs. By examining the rationale behind these changes, their implementation process, and their potential implications, we hope to provide insights into the future of our DCPAS programs and the positive impact of these changes on our employees.

We thank you for taking the journey with us and look forward to another rewarding year!

***Taiwana R. Smith, DoD EBA  
Director, Benefits, Wage & NAF Policy  
Line of Business (LOB3)***

# Benefits, Wage & NAF Policy (LOB3) Synopsis and Mission

## Introduction

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

## Benefits

We are DoD Employee Benefits Credentialed Human Resources (HR) Specialists who oversee an expansive portfolio that includes benefits such as health, life and long term care insurance, retirement, workers' compensation, unemployment compensation, and work-life programs. The Team works closely with the Office of Personnel Management (OPM) and other Federal Agencies to ensure the Department complies with all laws and regulations. Additionally, the Benefits team provides advisory services and training, and leads several communities of practice working groups. The Benefits Team also developed and administers a comprehensive Benefits Credentialing Program which focuses on functional competencies and more importantly, accurate interpretations and applications of Federal laws, regulations and policies.

## Wage

We are an operational team hyper-focused on compensation for appropriated and nonappropriated fund personnel in accordance with section 5343 of title 5, United States Code and part 532 of title 5, Code of Federal Regulations. We conduct local prevailing rate wage surveys to set the pay for all Federal blue-collar employees, as well as DoD educators, civilian mariners, power generation employees, health care professionals, foreign national pay programs, and special rates programs. Additionally, we provide technical support to OPM, Federal Prevailing Rate Advisory Committee (FPRAC), Foreign National Programs, DoD 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" appropriated fund population numbers throughout this report reflect data as of the date the data was pulled from the Corporate Management Information System (CMIS). Nonappropriated fund population numbers reflect data as of the date the data was pulled from the Defense Manpower Data Center's Reporting System (DMDCRS).



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# Benefits and Work-Life Programs

## Benefits and Work-Life Programs

The goal of the Benefits and Work-Life Programs Division (BWLPD) is to educate both DoD HR Practitioners and the DoD workforce on the vast assortment of complex benefits and work-life programs that are available. These benefits and work-life programs can assist employees with important decisions that will ultimately affect pre- and post-retirement work-life balance. BWLPD continues to spearhead 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 while meeting family needs and responsibilities at home.

BWLPD is comprised of a team of credentialed benefits advisors who are prepared to provide guidance and strategic solutions to support the benefits programs outlined below (not all inclusive):

- Federal Employees Health Benefits (FEHB)
- Federal Employees' Group Life Insurance (FEGLI)
- Federal Employees Dental and Vision Insurance Program (FEDVIP)
- Federal Flexible Spending Account Program (FSAFEDS)
- Federal Long-term Care Insurance (FLTCIP)
- Appropriated Fund Retirement Programs, Systems, and Actions
- Phased Retirement
- Reemployed Annuitants
- Age of Separation
- Thrift Savings Plan (TSP)
- Financial Fitness
- Telework
- Work-Life Programs
- Wellness Programs
- DoD HR Employee Benefits Training and Credentialing
- Injury Compensation Program
- Unemployment Compensation



## Federal Employees Health Benefits (FEHB) Program

The FEHB Program provides health care benefits for 8.2M Federal civilian employees, annuitants and their families, and certain Tribal employees and their families. It is the most diverse employer sponsored health benefits program in the country, offering the widest selection of health plan choices.

In 2022, there were 275 plan options, although the actual number of options available to each employee is dependent upon their geographical location. Employees are encouraged to use the OPM Plan Comparison Tool at <https://www.opm.gov/healthcare-insurance/healthcare/plan-information/compare-plans/> for the list of plans available by location. As of 2016, there are three enrollment types available with each plan option: Self Only, Self Plus One, and Self and Family.

As of December 31, 2022, there are 763,605 DoD employees eligible for FEHB. Sixty-two percent of the eligible population were enrolled, down one percent in comparison to 2021. Of the enrolled population, 37 percent are enrolled in Self Only; 15 percent in Self Plus One; and 48 percent in Self and Family.

OPM administers the FEHB Program government-wide and sets the premium rates each year. The Government's share of premiums paid is set by law. While total premiums may differ from year to year, the government contribution is always the lesser of: (1) 72 percent of the program-wide weighted average of premiums in effect each year as determined by OPM, or (2) 75 percent of the total premium for the particular plan an enrollee selects.<sup>1</sup>

### Participation and Employer Contribution Rates - FEHB vs Nonfederal plans

For most employees, the government contribution to plan premiums is competitive. The chart on the next page shows a comparison of employer contribution rates, employee access, participation, and take-up rates for Civilian Workers<sup>2</sup> versus the DoD.<sup>3</sup>

Ninety-nine percent of our employees have access to Federal employer sponsored FEHB, compared to Civilian Workers, where the percent access is 73 for the total sampled workforce, and 90 for the sampled workforce with 500 or more employees.

Although more DoD employees have access to employer sponsored health benefits, we have a lower take-up rate. The percentage of eligible DoD employees who enrolled in FEHB (62 percent) is lower than the percentage of eligible Civilian Workers who enrolled in their employer sponsored plan(s), 68 percent and 74 percent respectively, per company employee numbers.<sup>4</sup> The difference is not significant and could be attributed to our employees' access to non-FEHB health benefits (such as TRICARE or coverage under a spouse's health benefits enrollment).

<sup>1</sup>U.S. Office of Personnel Management, Healthcare & Insurance, Cost of Insurance, <https://www.opm.gov/healthcare-insurance/healthcare/reference-materials/reference/cost-of-insurance/>, (accessed December 2022).

<sup>2</sup>Civilian Workers – includes workers in private industry and state and local government. Excluded from the civilian economy are workers employed in Federal government and quasi-Federal agencies, military personnel, agricultural workers, volunteers, unpaid workers, individuals receiving long-term disability compensation, and those working overseas.

<sup>3</sup>U.S. Bureau of Labor Statistics, News Release USDL-22-1893, Employee Benefits in the United States – March 2022, <https://www.bls.gov/news.release/pdf/ebs2.pdf>, (accessed January 2023).

<sup>4</sup>Take-up rate is calculated from the unrounded percentage of workers with access to a plan and who participate in the plan. Civilian Workers data is from the BLS report. DoD data is from CMIS and the FEHB contribution split published by OPM.

## FEHB (cont.)

	Civilian Workers <i>All Workers</i>	Civilian Workers <i>&gt;499 Workers</i>	DoD Civilian Employees
Access to Medical Benefits	73%	90%	99%
Participation	50%	67%	62%
Take-up Rate	68%	74%	63%
Share of Premiums Paid by Employer	80%	81%	72%
Share of Premiums Paid by Employee	20%	19%	28%

*\* Premium share is based on single (Self Only) coverage.*

### Major Program Changes

#### *Family Member Eligibility Verification for FEHB Program Coverage:*

Benefits Administration Letter (BAL) 21-202 directs employing offices to request and document proof of family member eligibility prior to the processing of certain Self Plus One and Self and Family elections. The verification procedures for Initial Opportunity to Enroll (IOE) and Qualifying Life Event (QLE) actions are prescribed in this BAL. Due to system limitations and differences in processes at the Component level, DoD is unable to immediately implement the verification procedures as written for electronic transactions. DCPAS established a working group (WG) to develop infrastructure or other uniform processes for Agency-wide compliance and to establish interim procedures to meet the BALs intent as we work towards full implementation of the BAL requirements. DCPAS monitored Component progress and worked with them to ensure compliance with FEHB law and regulations.

#### *Premium Rates:*

OPM reported a 2.4 percent average premium rate increase for non-Postal employees and annuitants in 2022. This is down 1.2 percent compared to 2021. It is also lower than the 4.8 percent overall premium increase reported by CalPERS, the second largest public purchaser in the nation after the Federal Government.

#### *Significant Plan Changes:*

Each year OPM publishes a BAL announcing significant plan changes in effect the following plan year. BAL 21-403, dated October 8, 2021, announced the changes for 2022. Among these changes were new plan options, plans that terminated options or enrollment codes, and plans that left the FEHB Program.<sup>5</sup> There were five plans that left the FEHB program effective the 2022 plan year. Employees enrolled in a terminating plan or enrollment code and who failed to elect a new plan, were administratively enrolled in the lowest-cost nationwide plan option for 2022 - GEHA Indemnity Benefit Plan Elevate.

<sup>5</sup>U.S. Office of Personnel Management, Attachment 1: FEHB Significant Events Changes, <https://www.opm.gov/retirement-center/publications-forms/benefits-administration-letters/2021/21-403a1.pdf>, (accessed December 2022).

## FEHB (cont.)

Enrollees in plans leaving the FEHB Program or terminating enrollment codes effective plan year 2023, were also required to make a positive election during the 2022 Open Season. Failure to do so resulted in the administrative enrollment in GEHA Indemnity Benefit Plan Elevate, which remained the lowest-cost nationwide plan option for 2023.

### *Additional Plan Offerings in 2023:*

#### Fertility Preservation Procedures

Although FEHB Carriers cover the diagnosis and treatment of infertility, it was not required to offer fertility preservation procedures. Beginning in 2023, all FEHB carriers are required to provide coverage for standard fertility preservation procedures for persons facing the possibility of iatrogenic infertility, including infertility associated with medical and surgical gender transition treatment. Iatrogenic infertility is infertility caused by a necessary medical intervention.<sup>6</sup>

#### Assisted Reproductive Technology

Additional coverage to assist with the financial burden of Assisted Reproductive Technology (ART) treatment is offered under certain plan options. Per the Centers for Disease Control and Prevention, “ART includes all fertility treatments in which either eggs or embryos are handled. In general, ART procedures involve surgically removing eggs from a woman’s ovaries, combining them with sperm in the laboratory, and returning them to the woman’s body or donating them to another woman. They do NOT include treatments in which only sperm are handled (i.e., intrauterine—or artificial—insemination) or procedures in which a woman takes medicine only to stimulate egg production without the intention of having eggs retrieved.”<sup>7</sup>

In Plan Year 2023, nineteen plan options provide ART within their FEHB benefit package. In addition, one new plan option will provide a non-FEHB benefit for discounted ART procedures.<sup>8</sup>

<sup>6</sup>U.S. Office of Personnel Management, FEHB Carrier Letter 2022-03, <https://www.opm.gov/healthcare-insurance/healthcare/carriers/2022/2022-03.pdf>, (accessed December 2022).

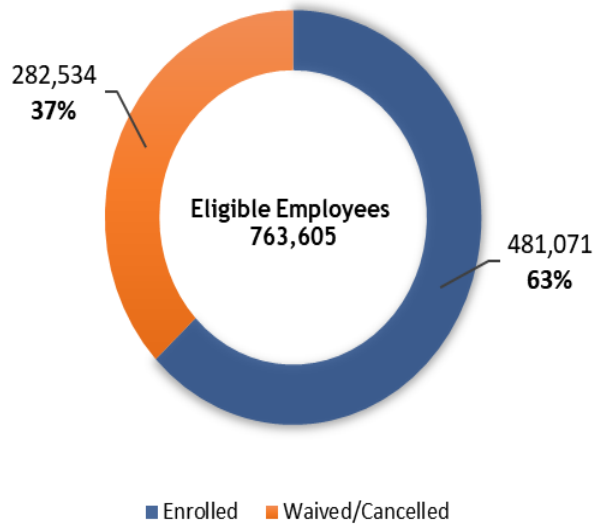
<sup>7</sup>Centers for Disease Control and Prevention, What is Assisted Reproductive Technology?, <https://www.cdc.gov/art/whatis.html>, (accessed January 5, 2023).

<sup>8</sup>U.S. Office of Personnel Management, Federal Benefits Open Season Highlights, <https://www.opm.gov/healthcare-insurance/healthcare/reference-materials/federalbenefitsopenseasonhighlights.pdf>, (accessed December 2022).

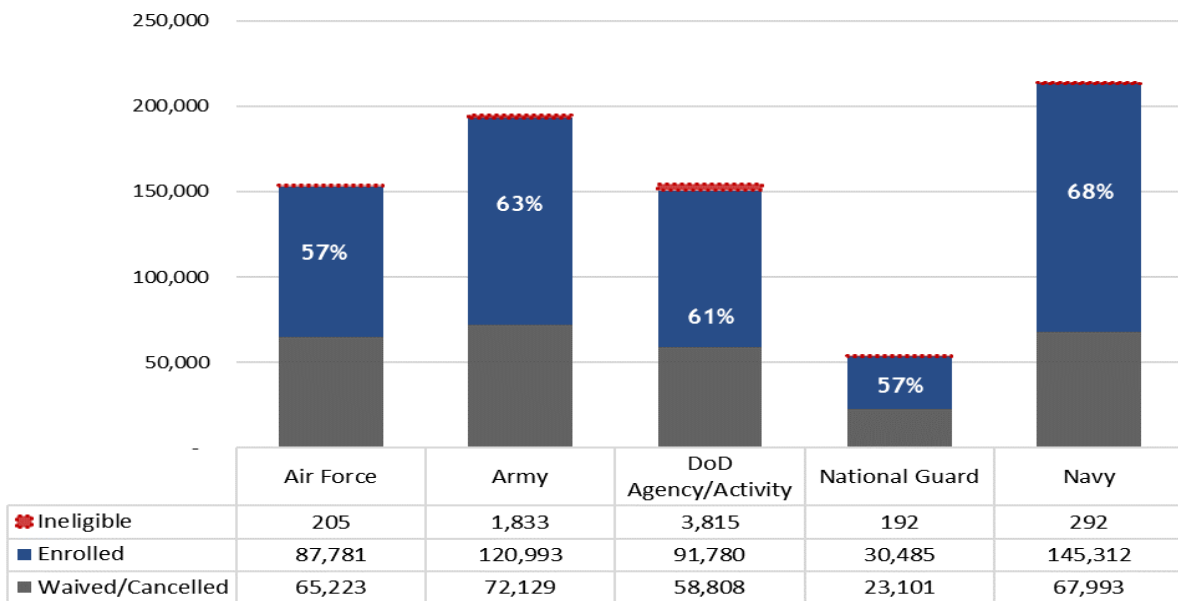
# FEHB Enrollment Data Analysis

The following data is as of December 31, 2022, and represents a point-in-time snapshot of DoD FEHB enrollments.<sup>9</sup>

## 2022 FEHB Enrolled vs Waived



## Enrollments by Component

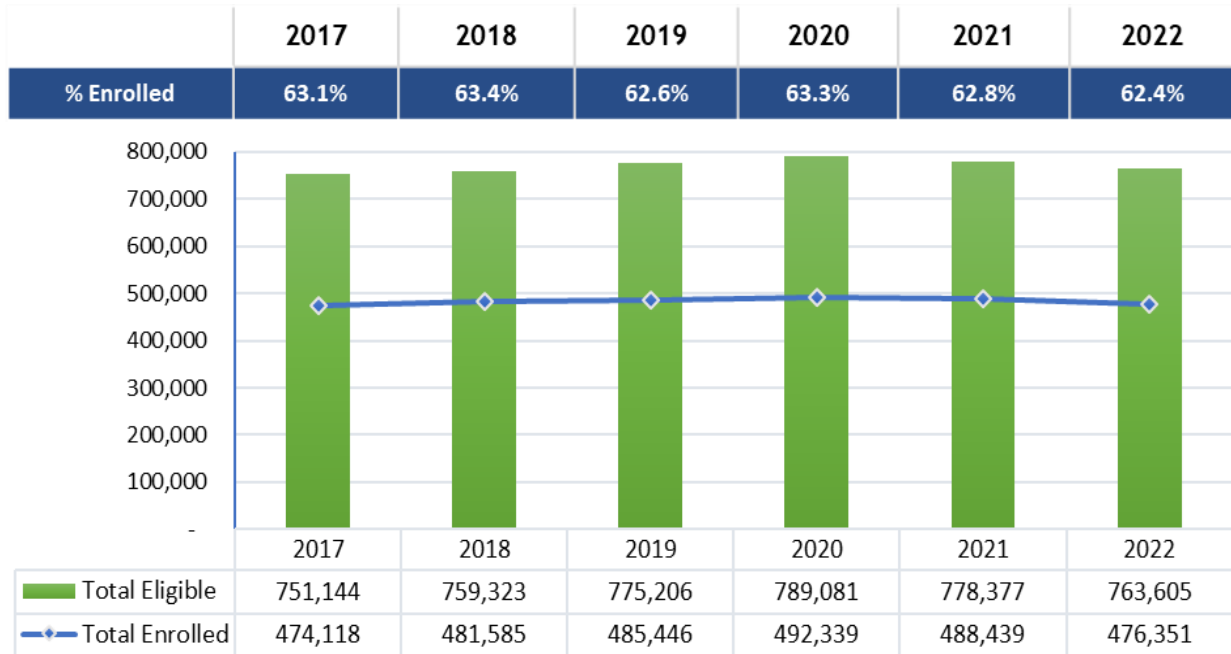


*Note: These percentages represent the percentage of the eligible population that is enrolled.*

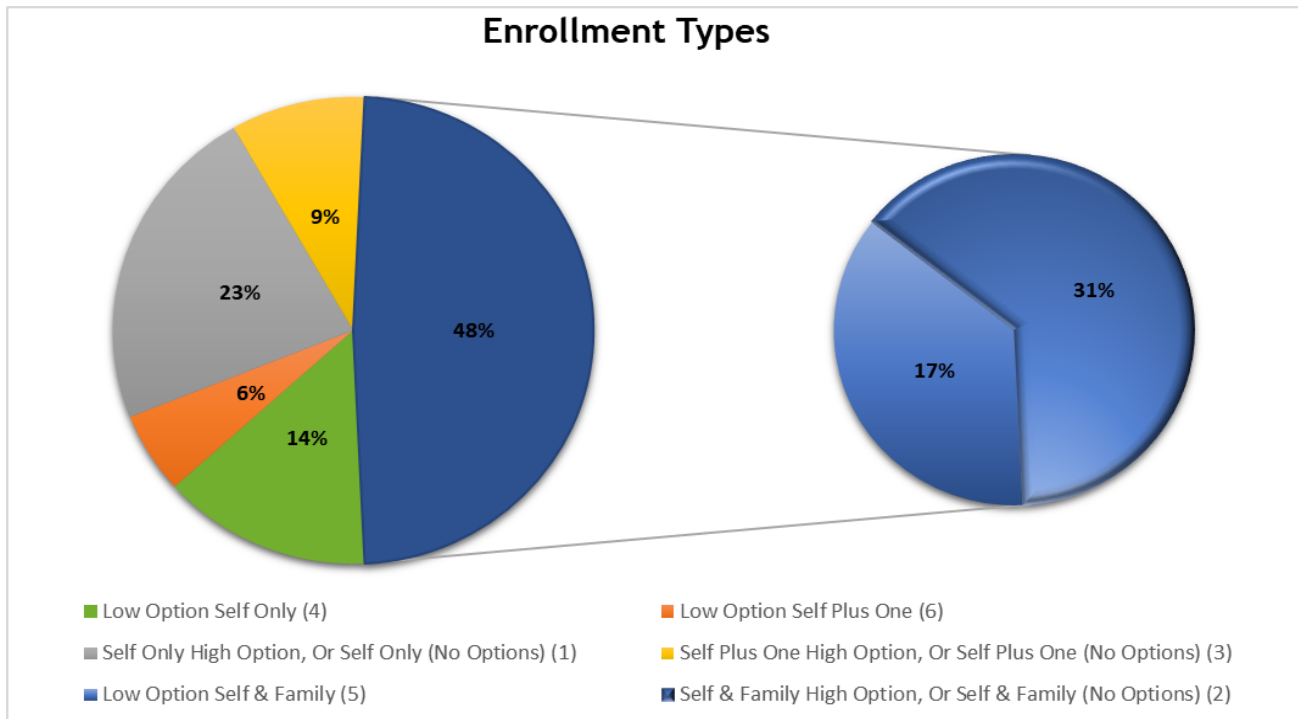
<sup>9</sup>Source: Corporate Management Information System (CMIS), (accessed January 18, 2023).

## FEHB Enrollment Data Analysis (cont.)

As reflected below, there are only nominal changes in Total Eligible vs Total Enrolled year over year.



Self and Family is the most elected enrollment type, accounting for 48 percent of enrollments. Self Only elections make up 37 percent of total enrollments and Self Plus One is 15 percent.



## FEHB Enrollment Data Analysis (cont.)

### 2022 Top Five Plans Agency-wide

The following chart reflects the top five plans by total enrolled:

Blue Cross and Blue Shield Service Benefit Plan Basic Option	200,604
Blue Cross and Blue Shield Service Benefit Plan Standard Option	105,085
GEHA Benefit Plan	34,121
Blue Cross and Blue Shield Service Benefit Plan FEP Blue Focus	20,764
Kaiser Permanente - Southern California	11,123
<b>Total</b>	<b>371,697</b>
<b>Percent Of Total Enrollments</b>	<b>78%</b>

## Federal Employees' Group Life Insurance (FEGLI)

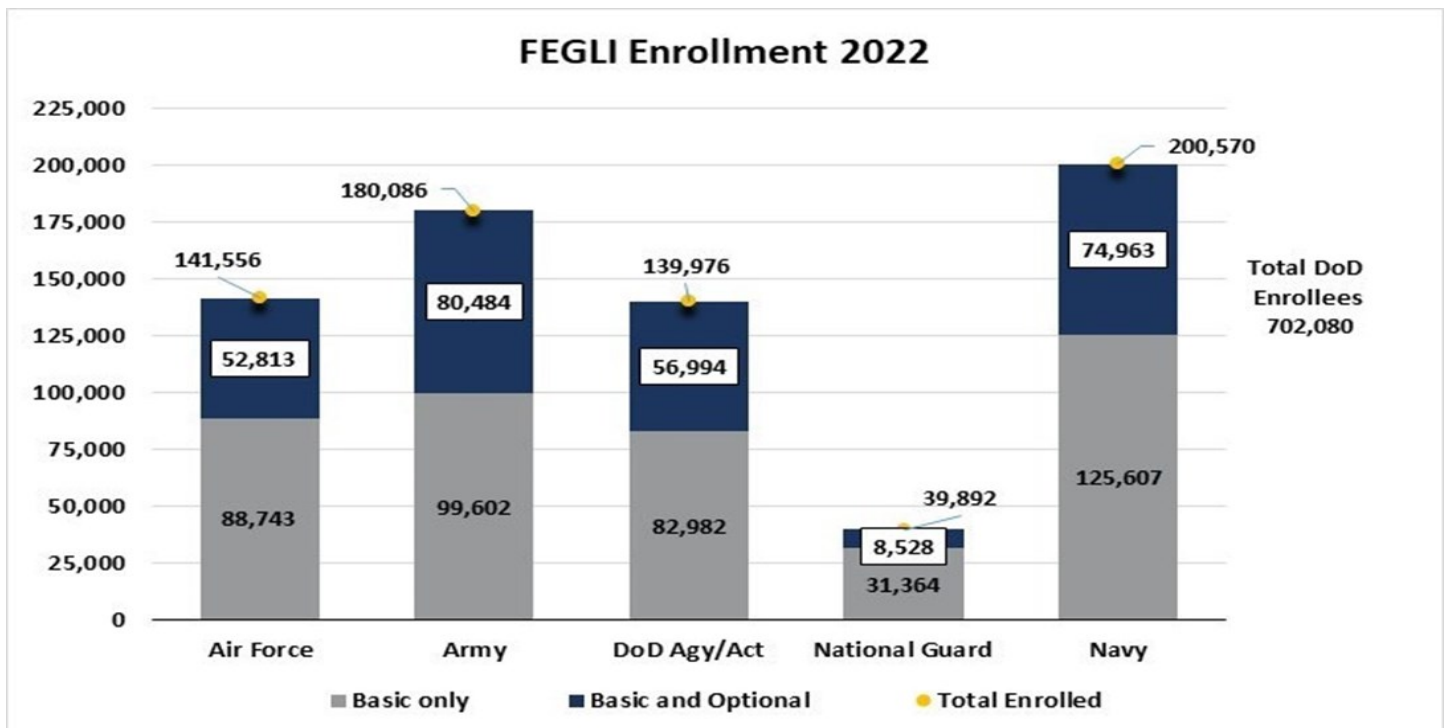
Federal Employees' Group Life Insurance (FEGLI) is the largest group life insurance program in the world with over 4M enrollees. OPM administers the program, while Metropolitan Life Insurance Company (MetLife) provides the life insurance. The program offers term life insurance to eligible Federal Government employees. Elections to enroll are limited to the first 60 days of employment. Otherwise, employees have other options to enroll such as: a QLE, a Request for Insurance (SF-2822) submitted a year after the effective date of a signed waiver, or during a rare FEGLI Open Season.

FEGLI consists of Basic and Optional tiers of insurance that allow employees to acquire additional insurance for themselves and their dependents. 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. Employee age category increases occur every five years, raising FEGLI premiums. Employees can reduce or cancel FEGLI coverage anytime.

Employees must be enrolled five years prior to retirement in order to continue their elected coverage into retirement. They can elect to have full coverage or various reductions in Basic and Optional coverage effective in retirement.

Over 702,000 DoD employees are enrolled in FEGLI. The data outlined on the next few pages provide a snapshot of the Department's overall enrollment status as of December 2022. The various choices for optional insurance available to employees are combined into one column. The total number of employees enrolled and/or waiving life insurance coverage are provided for 2021-2022 comparison purposes.

OPM issued BAL 22-203: Changes to Acceptable Signature Requirements for FEGLI Forms. On March 14, 2022, OPM announced it will permanently allow electronic and digital signatures for FEGLI forms submitted to Agencies and OPM. The use of Electronic signature is not mandatory. Agencies can review BAL 22-203 for acceptable methods, requirements, recommended guidelines for Agencies, and common Q&As.



## FEGLI (cont.)

2021 FEGLI DATA				
		Employees not Eligible		
Component	Total Employees	Coverage not Offered	12 Months in LWOP	Employees Eligible to Enroll
<b>Air Force</b>	161,394	528	131	160,735
<b>Army</b>	225,664	3,147	1,193	221,324
<b>DoD Agencies</b>	114,838	4,384	156	110,298
<b>National Guard</b>	57,657	4,051	3,306	50,300
<b>Navy</b>	224,999	420	690	223,889
<b>Total</b>	<b>784,552</b>	<b>12,530</b>	<b>5,476</b>	<b>766,546</b>

\* The total number of employees eligible to enroll in FEGLI is represented by subtracting employees ineligible by law or regulation (listed as “Coverage not Offered”) and the number of employees excluded by being in a non-pay status for 12 months. The remaining result is 766,546 employees. *Data is reflected as of December 31, 2021.*

2021 FEGLI DATA						
Components	Employees Eligible to Enroll	Enrolled		Percent Enrolled	Waived	Percent Waived
		Basic Only	Optional			
<b>Air Force</b>	160,735	92,299	56,561	92.6%	11,872	7.4%
<b>Army</b>	221,324	114,420	94,424	94.4%	12,477	5.6%
<b>DoD Agencies</b>	110,298	57,881	45,219	93.5%	7,198	6.5%
<b>National Guard</b>	50,300	32,834	9,441	84.0%	8,024	16%
<b>Navy</b>	223,889	129,739	81,214	94.2%	12,935	5.8%
<b>Total</b>	<b>766,546</b>	<b>427,173</b>	<b>286,859</b>	<b>93.1%</b>	<b>52,506</b>	<b>6.8%</b>

**Note:** In 2021, 93.1 percent of the eligible DoD population were enrolled in the FEGLI program, with 6.8 percent waiving coverage. *Data is reflected as of December 31, 2021.*



## FEGLI (cont.)

2022 FEGLI DATA				
Component	Total Employees	Employees not Eligible		Eligible to Enroll
		Coverage not Offered	12 Months in LWOP	
Air Force	153,213	488	78	152,647
Army	194,956	3,013	1,101	190,842
DoD Agencies	154,418	5,344	200	148,874
National Guard	53,781	2,696	3,949	47,136
Navy	213,597	522	477	212,598
<b>Total</b>	<b>769,965</b>	<b>12,063</b>	<b>5,805</b>	<b>752,097*</b>

\* The total number of employees eligible to enroll in FEGLI is represented by subtracting employees ineligible by law or regulation (listed as “Coverage not Offered”) and the number of employees excluded by being in a non-pay status for 12 months. The remaining result is 752,097 employees eligible to enroll in FEGLI coverage. *Data is reflected as of December 31, 2022.*

2022 FEGLI DATA						
Component	Employees Eligible to Enroll	Enrolled		Percent of Eligible Enrolled	Waived	Percent Waived
		Basic Only	Optional			
Air Force	152,647	88,743	52,813	92.7%	11,089	7.3%
Army	190,842	99,602	80,484	94.4%	10,755	5.6%
DoD Agencies	148,874	82,982	56,994	94.0%	8,896	6%
National Guard	47,136	31,364	8,528	84.6%	7,244	15.4%
Navy	212,598	125,607	74,963	94.3%	12,028	5.6%
<b>Total</b>	<b>752,097</b>	<b>428,298</b>	<b>273,782</b>	<b>93.3%</b>	<b>50,012</b>	<b>6.7%</b>

**Note:** In 2022, 93.3 percent of the eligible DoD population were enrolled in the FEGLI program, with 6.7 percent waiving coverage. *Data is reflected as of December 31, 2022.*

## FEGLI End of Year Summary

	Employees Eligible to Enroll	Enrolled in Basic Only	Enrolled in Optional Insurance	Percent Enrolled	Waived	Percent Waived
Total as of 12/31/2021	766,546	427,173	286,859	93.1%	52,506	6.8%
Total as of 12/31/2022	752,097	428,298	273,782	93.3%	50,012	6.7%
Change	(14,449)	1,125	(13,077)	0.2%	(2,494)	(0.1%)

The comparison of 2021 to 2022 FEGLI data shows that the percent of employees enrolled in Optional Insurance decreased by 13,077 employees and the number of employees waiving coverage decreased by 2,494.

Note: The review and analysis presented in this report captures data as of December 2022.

## 2022 Appropriated Fund Retirement System Status

This section discusses the number of DoD employees<sup>10</sup> who are covered under the major Title 5 retirement systems (that is, CSRS and FERS), those who are covered under other retirement systems (FSPS and FSRDS), and finally, those employees who lack retirement coverage entirely (FICA, “none,” “other,” and “(blank)”) as of the end of 2022.

The Civil Service Retirement System (CSRS) is a “closed” retirement system (that is, it is not open to new employees hired on or after January 1, 1984). The number of CSRS employees is steadily decreasing; as of the end of 2022, the number of CSRS employees remaining in DoD totaled 5,507 (an approximate 27.5 percent decrease from last year’s employee census), which is consistent with Federal workforce retirement predictions. CSRS-Offset is an offshoot of CSRS; while CSRS employees do not pay into Social Security (i.e. FICA taxes), CSRS-Offset employees pay both into the CSRS retirement fund, and also into Social Security. Like CSRS, CSRS-Offset is a “closed” system (it is not open to new employees hired on or after January 1, 1987, who have less than five years of CSRS service). The number of CSRS-Offset employees is steadily decreasing; as of the end of 2022, the number of CSRS-Offset employees totaled 1,869 (an approximately 21.6 percent decrease from 2021), which is consistent with Federal workforce retirement predictions.

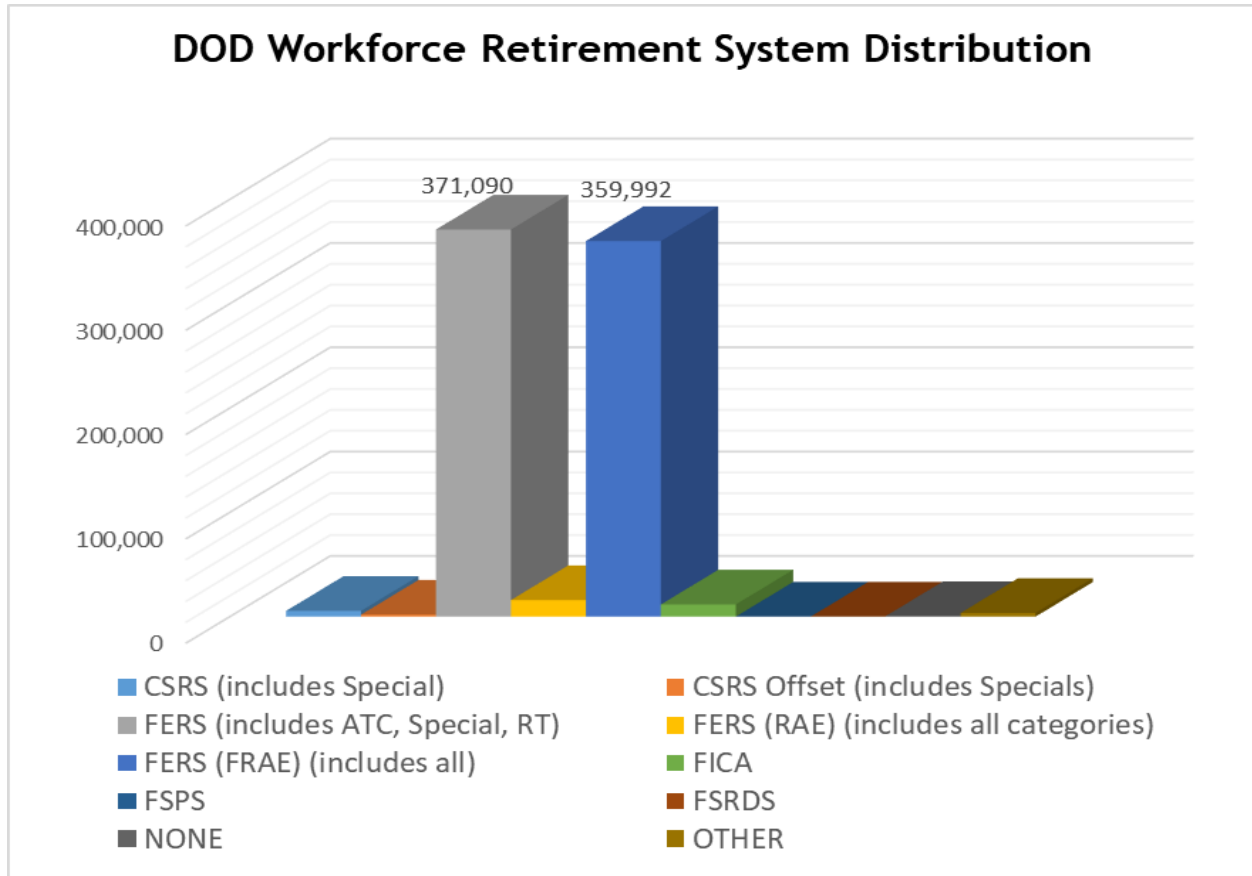
The Federal Employees Retirement System (FERS), like CSRS and CSRS-Offset, is a “closed” retirement system; it is not open to new employees hired on or after January 1, 2013. The number of FERS employees remains steadily consistent. As of the end of fourth quarter 2022, the number of FERS employees within DoD decreased by 8.1 percent to 371,090. As such, FERS employees continue to make up the bulk of the DoD workforce under the appropriated fund systems. FERS-Revised Annuity Employee (FERS-RAE) and FERS-Further Revised Annuity Employee (FERS-FRAE) are both offshoots of the FERS retirement fund. FERS-RAE coverage applies to employees who either were first hired between January 1, 2013, and December 31, 2013, or had less than five years of FERS service upon returning to Federal service between January 1, 2013, and December 31, 2013. FERS-FRAE coverage applies to employees who first hired on or after January 1, 2014, or had less than five years of FERS service upon returning to Federal service on or after January 1, 2014. The key difference between FERS and FERS-RAE and FERS-FRAE is that annuity computations changed for some classes of employees (such as Congressional Members and legislative branch staff), and that retirement fund contributions significantly increased for all employees. (It should be noted that these are the contributions made to the Retirement Fund, not the TSP.)

While FERS-RAE is a “closed” system (no new employees can be placed into FERS-RAE) and is not growing, FERS-FRAE is an “open” retirement system and is steadily expanding. Within the FERS portfolio, FERS employees number 371,090, FERS-RAE employees number 15,833 (an 8.3 percent decrease from last year’s employee census), and FERS-FRAE employees number 359,992 (a seven percent increase from last year’s employee census). Given present hiring and separation rates, it can be projected that FERS-FRAE employees will meet and exceed the number of FERS employees by 2025.

<sup>10</sup>This data does not include Senior Executive Service (SES) and political appointees/Schedule C employees. In addition, employees who were hired on or after the first of the calendar year, but separated prior to the end of the calendar year, are also not captured.

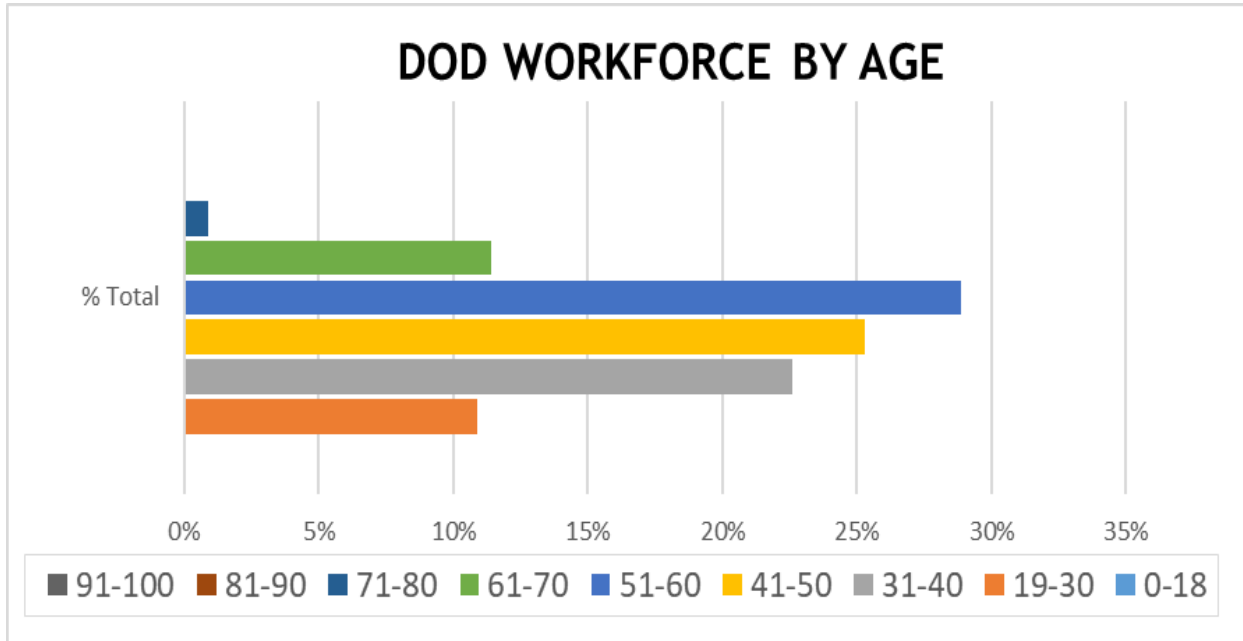
## 2022 Appropriated Fund Retirement System Status (cont.)

While the total number of employees assigned to a Title 5 appropriated retirement system from 2021 to 2022 fell by 1.7 percent, the total number of employees not assigned to a Title 5 appropriated retirement system (that is, those hired under temporary appointments not subject to retirement coverage), remained approximately the same, with a less than one percent decrease.



## Workforce Age Groups by Retirement System Across DoD

As the chart below shows, nearly a third of DoD’s workforce is retirement eligible as of the end of 2022, with nearly another 25 percent becoming eligible within the next five years.



The table below displays the distribution of employees by age across retirement system coverages. (It should be noted that FICA is not a retirement system; it only denotes paying into Social Security. Likewise, the Foreign Service Pension System (FSPS) and Foreign Service Retirement and Disability System (FSRDS)<sup>11</sup> are not Title 5 retirement systems, but they continue coverage to provide employees with career mobility and flexibility while maintaining retirement benefits.)

As the table shows, CSRS and CSRS-Offset coverages continue to decline, while the FERS and FERS offshoots (FERS-RAE and FERS-FRAE) continue to grow.

Age Range	CSRS	CSRS Offset	FERS	FERS (RAE)	FERS (FRAE)	FICA	FSPS	FSRDS	NONE	OTHER
0-18	0	0	1	0	200	71	0	0	1	0
19-30	0	0	598	322	79,206	3,531	1	1	6	151
31-40	0	0	50,402	5,351	114,987	2,285	0	0	21	829
41-50	3	2	99,584	4,547	87,783	1,599	0	0	75	1,062
51-60	609	360	151,621	4,362	62,929	1,301	0	0	166	1,037
61-70	3,789	1,275	64,673	1,194	14,231	2,013	0	0	143	403
71-80	1,021	221	4,085	54	641	781	0	0	97	35
81-90	83	11	124	3	15	50	0	0	8	4
91-100	2	0	2	0	0	0	0	0	3	0

<sup>11</sup>FSPS and FSRDS are peripheral to our investigation of DoD workforce age group and retirement system distribution inquiries. FSPS and FSRDS are administered and maintained by the Department of State; any queries concerning these systems should be directed to the Department of State.

## Retirement Actions

The DoD, as a Cabinet department, contains the single largest departmental Federal civilian workforce. This workforce is subdivided into five Components: Air Force<sup>12</sup>, Army, DoD Agencies/Activities (also known as the “Fourth Estate”), Navy, and the National Guard.

DoD’s overall retirement rates are relatively low considering the size of its workforce. The charts and tables below reflect total DoD retirements by Component from 2012 through 2022, as well as the average total retirements by type.

Agency	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Air Force</b>	5,692	4,270	5,078	4,774	4,548	4,782	5,053	3,614	3,630	5,206	5,668
<b>Army</b>	8,200	7,801	8,823	7,570	7,596	7,520	7,633	5,759	5,513	6,517	7,251
<b>DoD Agencies/ Activities</b>	3,378	3,790	4,691	3,827	3,860	3,862	4,080	2,952	3,213	4,101	4,616
<b>National Guard</b>	876	580	586	538	547	607	470	423	426	431	530
<b>Navy</b>	6,033	5,948	7,367	6,488	6,361	6,480	6,832	4,891	4,728	1,859	7,149
<b>Total</b>	<b>24,179</b>	<b>22,389</b>	<b>26,545</b>	<b>23,197</b>	<b>22,912</b>	<b>23,251</b>	<b>24,068</b>	<b>17,639</b>	<b>17,510</b>	<b>18,114</b>	<b>25,214</b>

### Average Total No. of Retirements by Type by Year

Retirement Type	2012-2022	% of Total
<b>Ave. No. Mandatory Retirements/DSRs</b>	65	0.29%
<b>Ave. No. Disability Retirements</b>	1,007	4.52%
<b>Ave. No. Voluntary Retirements</b>	20,295	91.11%
<b>Ave. No. Early Outs</b>	568	2.55%
<b>Ave. No. Vol. Ret. In lieu of/DSR</b>	339	1.52%
<b>Ave. No. Phased Retirements</b>	1	0.00%
<b>Average Total Retirements Per Year</b>	<b>22,274</b>	<b>100.00%</b>

<sup>12</sup>Space Force is under the Air Force’s aegis and as such, is included within Air Force totals.

## Retirement Actions (cont.)

Prior to the coronavirus public health emergency (“pandemic”) which began in 2020, retirement rates across DoD were already declining as shown by Figure 1 below. As of 2021, retirements have mostly increased among all but one Component. At this time we are unable to determine whether vaccine mandate(s), market uncertainty, the long predicted “retirement tsunami”, or a combination of these factors is driving the change in trajectory.

Figure 1

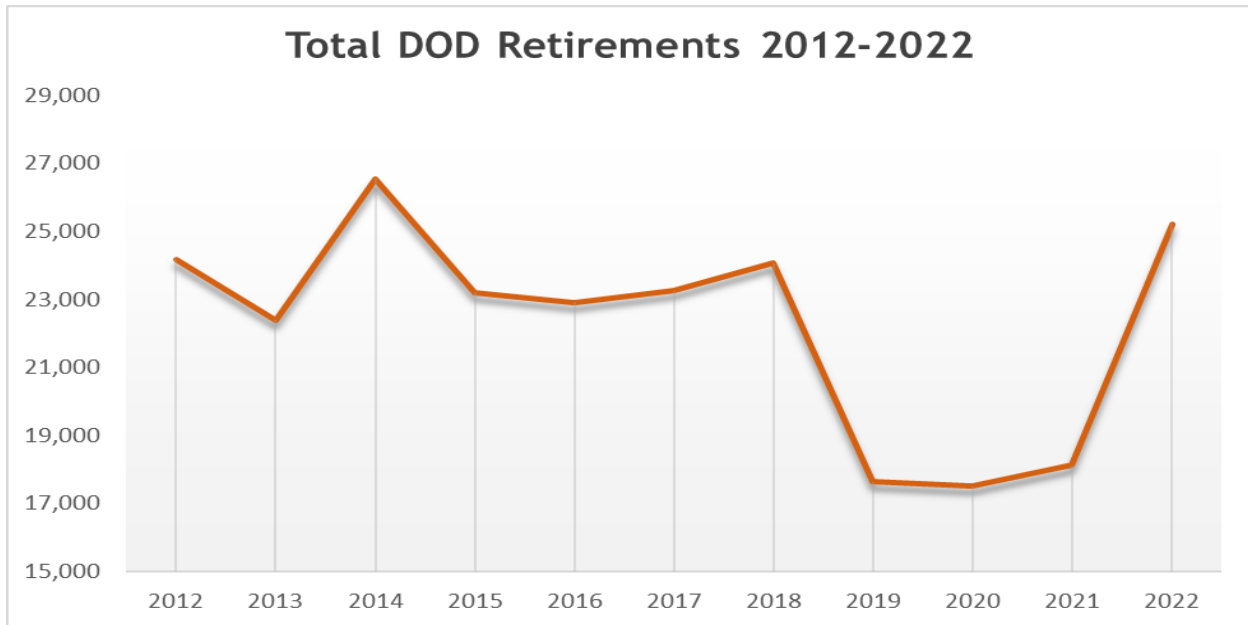
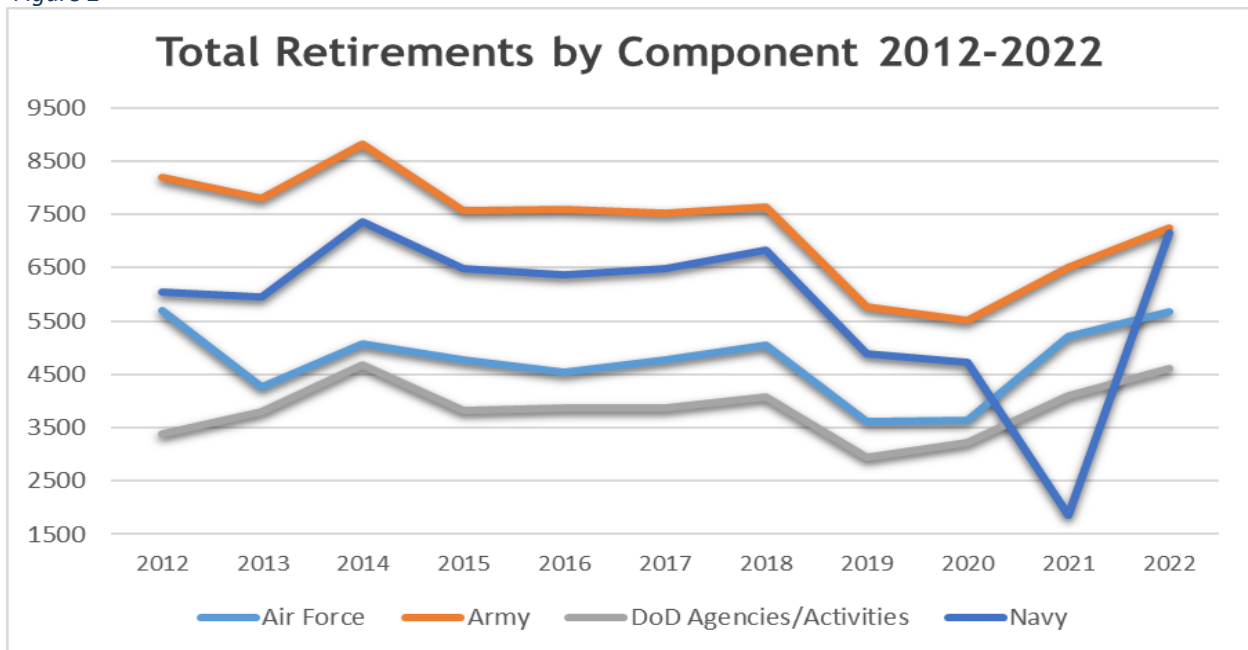


Figure 2



## Retirement Actions (cont.)

As reflected in Figure 2 on the previous page, retirements increased across all DoD Components in 2022 with Navy experiencing a 285 percent increase in retirements.<sup>13</sup> The average trend overall during the ten year period is a two percent increase. In 2022, the overall retirement trend within DoD is trending upward by 40 percent when compared to the prior year and six percent when compared to the base year (2012). If the Department of Navy's data is excluded, the upward trend continues, but at a reduced 11 percent when compared to the prior year and 1.5 percent when compared to the base year.

### Retirement Actions by Type

DoD has the widest variety of employees by retirement type within the Federal Government. Mandatory retirements (also known as Discontinued Service Retirements, or DSRs) are for certain employee groups, such as Air Traffic Controllers (ATCs), Law Enforcement Officers (LEOs), and Firefighters (FFs). Because of the demanding nature of these particular vocations, certain retirement considerations exist for these employees, namely: the ability to retire at age 50, with 20 years of service, or at any age, with 25 years of service. These employees cannot work past age 56 (for ATCs) or age 57 (for LEOs and FFs) because of the strenuous physical nature of their jobs.

The tables on the next page show that while there are a few peak periods in review of the number of mandatory retirements, the rate of this retirement type is steady accounting for less than .5 percent of total retirements. In order to maintain warfighter readiness, the DoD will have to continually recruit for these physically vigorous and stressful positions to make up for losses projected due to retirement and/or separation.

The wide variety of DoD occupations can also expose its civilian workforce to disabling medical conditions. Apart from 2016 and 2017, the rate of disability retirements has remained generally steady; 2016 and 2017 are statistically significant outliers and do not reflect any lessening of physical and mental safety standards in the DoD's workplace.<sup>14</sup>

Voluntary (that is, immediate optional) retirements as well as voluntary retirements in lieu of involuntary action (also known as ILIA) remain at statistically consistent rates.

<sup>13</sup>The National Guard's figures were excluded from this chart because its data is not statistically significant; total National Guard retirements comprised less than 2% of all DoD retirements.

<sup>14</sup>The numbers are solely attributable to OPM's Disability Approval section staffing issues in 2016 and 2017. OPM's staffing issues have since been resolved and should no longer negatively impact the DoD workforce.



## Retirement Actions (cont.)

### Retirement Types by Year

Retirement Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
<b>No. Mandatory Retirement/DSRs</b>	84	60	55	54	70	57	47	42	60	84	97	710
<b>No. Disability Retirements</b>	1,187	1,101	1,254	1,319	810	611	1,127	956	923	781	1,008	11,077
<b>No. Voluntary Retirements</b>	20,692	19,717	23,721	20,863	21,204	21,726	22,337	16,196	16,134	16,869	23,786	223,245
<b>No. Early Outs</b>	1,737	1,101	1,084	517	464	333	280	229	194	192	114	6,245
<b>No. Vol. Ret. In Lieu of/DSR</b>	479	410	431	444	364	524	277	216	199	184	204	3,732
<b>No. Phased Retirements Fully Retired</b>	-	-	-	-	-	-	-	-	-	4	5	9
<b>Total</b>	<b>24,179</b>	<b>22,389</b>	<b>26,545</b>	<b>23,197</b>	<b>22,912</b>	<b>23,251</b>	<b>24,068</b>	<b>17,639</b>	<b>17,510</b>	<b>18,114</b>	<b>25,214</b>	<b>245,018</b>

### Percentage Breakdown of Retirement Types by Year

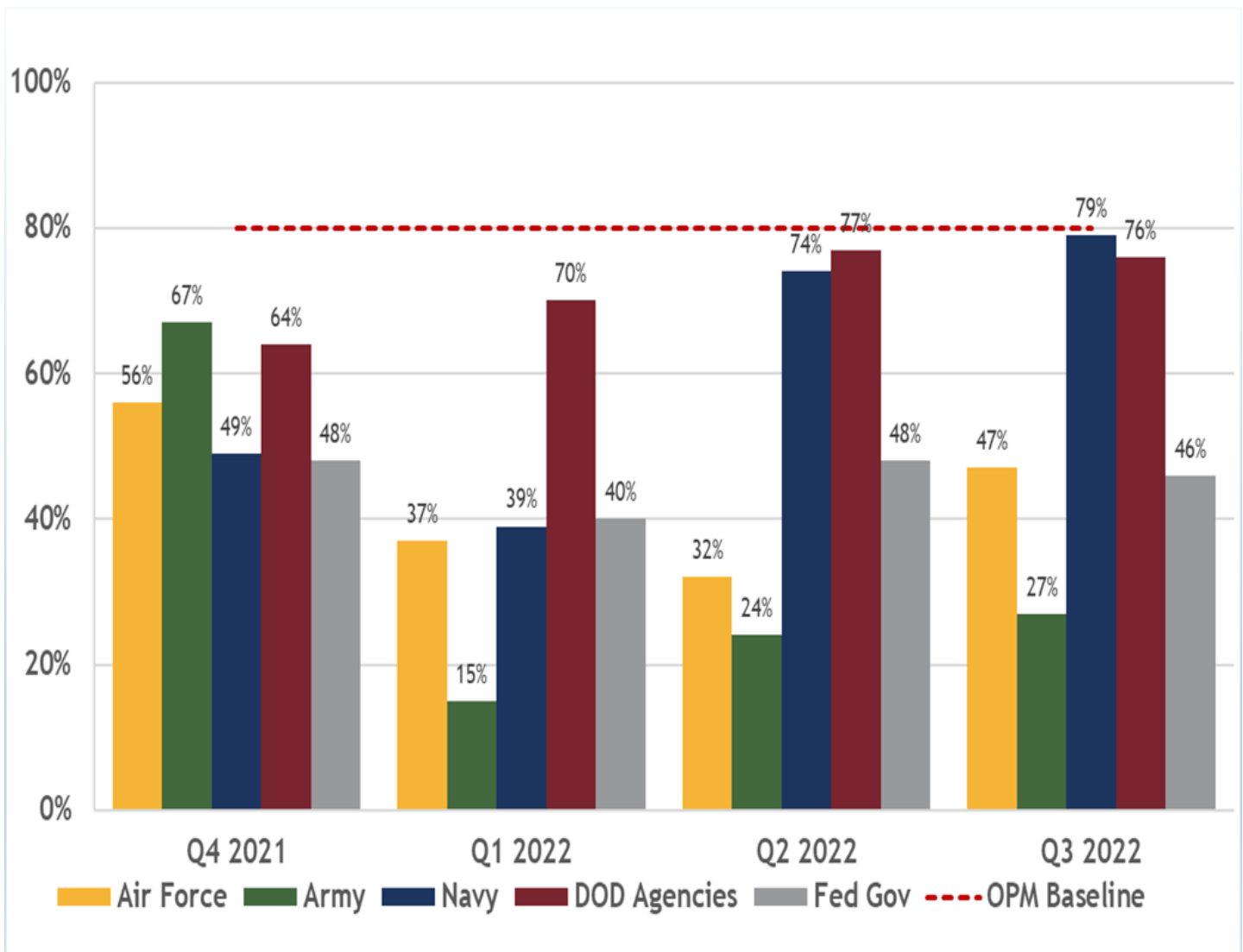
Retirement Type	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Mandatory Ret./DSRs</b>	0.35%	0.27%	0.21%	0.23%	0.31%	0.25%	0.20%	0.24%	0.34%	0.46%	0.38%
<b>Disability Retirements</b>	4.91%	4.92%	4.72%	5.69%	3.54%	2.63%	4.68%	5.42%	5.27%	4.31%	4.00%
<b>Voluntary Retirements</b>	85.58%	88.07%	89.36%	89.94%	92.55%	93.44%	92.81%	91.82%	92.14%	93.13%	94.34%
<b>Early Outs</b>	7.18%	4.92%	4.08%	2.23%	2.03%	1.43%	1.16%	1.30%	1.11%	1.06%	0.45%
<b>Vol. Ret. In Lieu of/DSR</b>	1.98%	1.83%	1.62%	1.91%	1.59%	2.25%	1.15%	1.22%	1.14%	1.02%	0.81%
<b>Phased Retirements</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.02%

## Age of Separation (AOS)

The information below represents how well each DoD Agency is meeting the OPM 80 percent timeliness standard for retirement benefit related submissions. The Age of Separation (AOS) standard is met if at least 80 percent of retirement records for annuities, deaths in service, and refunds are received by OPM within 32 days of an employee’s separation.

The charts on the following pages show the comparison of DoD to government-wide overall AOS data and reporting of annuities only.

**Overall Comparison DoD/Government Wide**



## AOS (cont.)

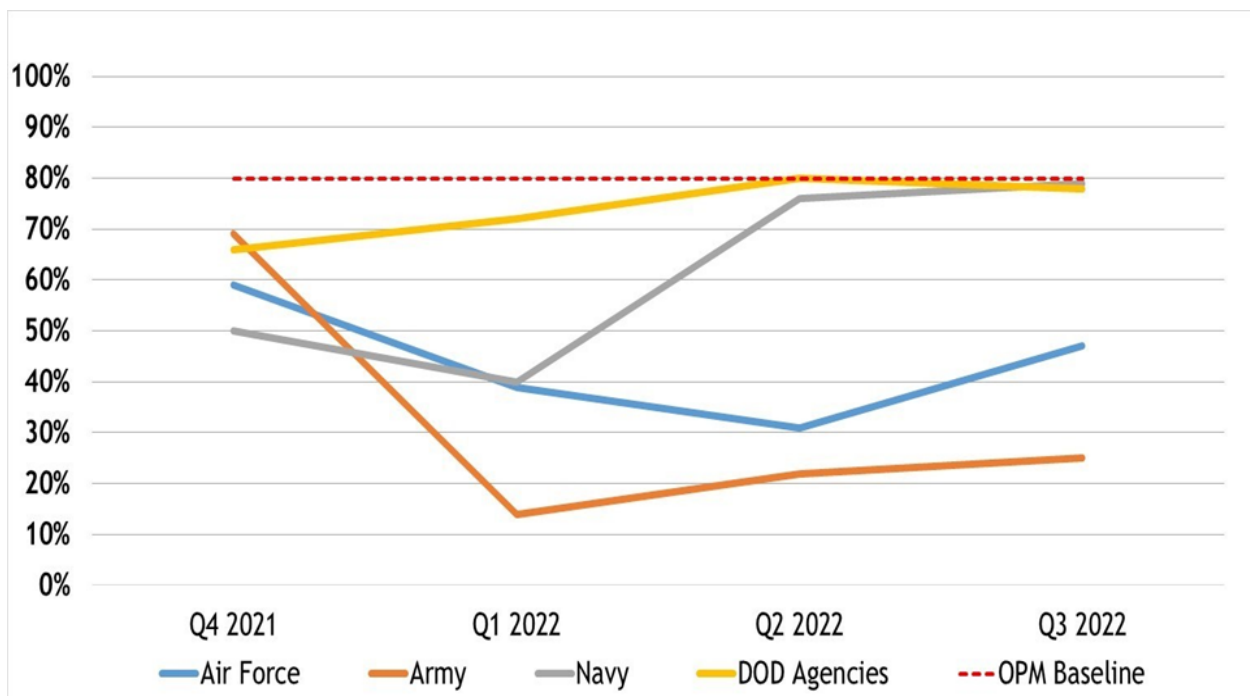
Total percentage of annuity and death cases received by OPM within 32 days for 4Q 2021–3Q 2022.

Component	Total Percentage
Air Force	43%
Army	33%
Navy	60%
DoD Agencies	72%
Total DoD	52%

Government Wide Total
46%

### Age of Separations - Annuities

Total percentage of annuities received by OPM within 32 days



Note: 4Q 2021 AOS data is used since 4Q 2022 annuity data is not available at this time.

## Thrift Savings Plan (TSP)

The TSP is a 403(a) retirement plan for Federal employees and members of the Uniformed Services, which was established by Congress in the FERS Act of 1986. It offers the same types of savings and tax benefits, such as tax deferments, that many private companies offer their employees under 401(k) plans.

The purpose of the TSP is to give Federal employees and members of the Uniformed Services the ability to participate in a long-term savings and investment plan for their retirement.

The TSP is administrated by The Federal Retirement Thrift Investment Board (FRTIB). Per FRTIB, as of March 2022, TSP has approximately 6.5M participants and an average account balance of \$119,651; it is the largest defined contribution plan in the world.

### Key TSP Changes In 2022

As of June 2022, TSP made significant changes to its platform so participants now have access to new features and tools to make their TSP experience even better. These new features include flexibility in how to access “My Account”, several options to contact TSP representatives if help is needed, and the ability to complete most transactions smoothly and securely online.

#### *Account Access and Security*

- All TSP participants and beneficiary participants must set up a new login for “My Account” on [tsp.gov](https://tsp.gov) website.
- User friendly “My Account” - can customize “My Account” dashboard, complete secure online transactions, receive account-specific communications by using secure participants mailbox, and use the Retirement Income modeler to project retirement income.

#### *Investments*

- Introduced new investment option through the TSP Mutual Fund Window with fees, personalized support for rollover accounts, and a fund transfer option as a new way to move money within TSP account.
- New Investment Terminology - “Investment Election” (previously known as “Contribution Allocation”), “Fund Reallocation” (previously known as “Interfund Transfer”), and “Fund Transfer” (new - move money from one or specific TSP fund to another specific TSP fund without affecting the rest of the account).

#### *Mutual Fund Window*

- Initial transfer must be \$10,000 (but no more than 25 percent of the total TSP account balance and may not invest more than 25 percent of the total TSP account balance at any time).
- Accessing fees - \$55 (annual administrative fee), \$95 (annual maintenance fee), \$28.75 (per trade fee) and other fees specific to participants’ chosen funds.

## TSP (cont.)

### *Withdrawals and Distributions*

- New Terminology - “Withdrawal” (previously known as “In-Service Withdrawal”).
- Financial hardship & age based withdrawal - allow eSignatures and requests to be submitted entirely online; can receive the distribution by direct deposit; and can increase the financial hardship withdrawal amount up to 125 percent of the financial need to cover tax withholdings.

### *Expanded Support Options*

- 24/7 access using a virtual assistant “AVA” on TSP website and mobile App.
- Get help by calling ThriftLine to speak with a representative during business hours, email or chat through mobile App.
- Customized special support available when rolling over money from IRA or any other eligible retirement plan.

### *Efficient Online Transactions*

- New ways to complete most of transactions and request entirely online in “My Account” - can upload forms and sign electronically; scan and deposit checks for rollover; and communicate with account-specific questions by using secure participants mailbox.

### *Beneficiary Information*

- Can designate beneficiaries entirely online through a tool in “My Account” (complete eSignature form and witness required) or by calling the ThriftLine.
- Annual prompt to confirm beneficiary information to make sure that it’s up to date.
- Contingency beneficiaries will not be linked to specific primary beneficiaries and all primary beneficiaries must be deceased for contingent beneficiaries to receive any money.

### *Loans*

- New Terminology - “Primary Residence Loan” (previously known as “Residential Loan”).
- Can have two General Purpose Loans or one General Purpose Loan and one Primary Residence Loan.
- Loan processing fees and repayment periods - General Purpose Loan (\$50 and one to five years to repay), Primary Residence Loan (has increased to \$100 and five to 15 years to repay).
- Notary is not required, but still needs spouse’s eSignature or consent for FERS employee or Uniform members.

## TSP (cont.)

### *Legal processing*

- Processing fee of \$600 for Retirement Benefit Court Orders (RBCOs) and Child Support Court Orders (CSCOs). This fee will be deducted from the participant's TSP account when TSP receives a court order form.
- 2023 TSP Contribution Limits (October 26, 2022) - The Internal Revenue Service (IRS) announced the contribution limits for 2023. These limits define the contributions that can be made to individual TSP accounts for the calendar year.

Limit Name	IRC	2023 Limit	2022 Limit
Elective Deferral Limit	§ 402(G)	\$22,500	\$20,500
Catch-up Contribution Limit	§ 414(V)	\$7,500	\$6,500
Annual Additions Limit	§ 415(C)	\$66,000	\$61,000

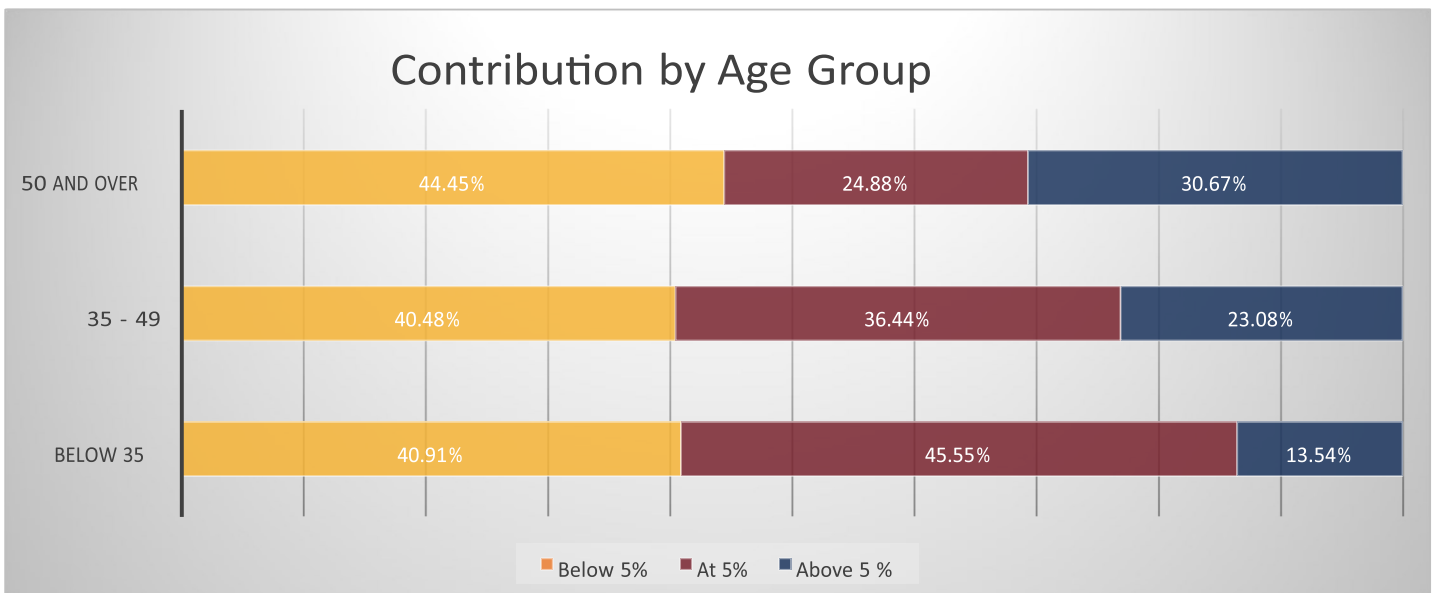
## 2022 TSP Contribution Rates by Age Group

FERS covered employees received a match up to five percent of basic pay on all contributions up to the annual TSP elective deferral limit of \$20,500 (2022). TSP participants age 50 and over, who met the annual deferral limit, may have elected to contribute an additional \$6,500 (catch-up contribution). Effective January 2021, there is no need to submit the separate form to contribute catch-up contributions under the spillover method.

The chart below shows a contribution comparison between the age groups of “Below age 35”, “Age 35-49” and “Age 50 and older”, that contributed to TSP in 2022.

DoD Civilian TSP Contribution Level by Age Group: 2022			
Age Group	Below 35	35 - 49	50 and Over
<b>Contribution</b>			
Below 5%	40.91%	<b>40.48%</b>	<b>44.45%</b>
At 5%	<b>45.55%</b>	36.44%	24.88%
Above 5 %	13.54%	23.08%	30.67%

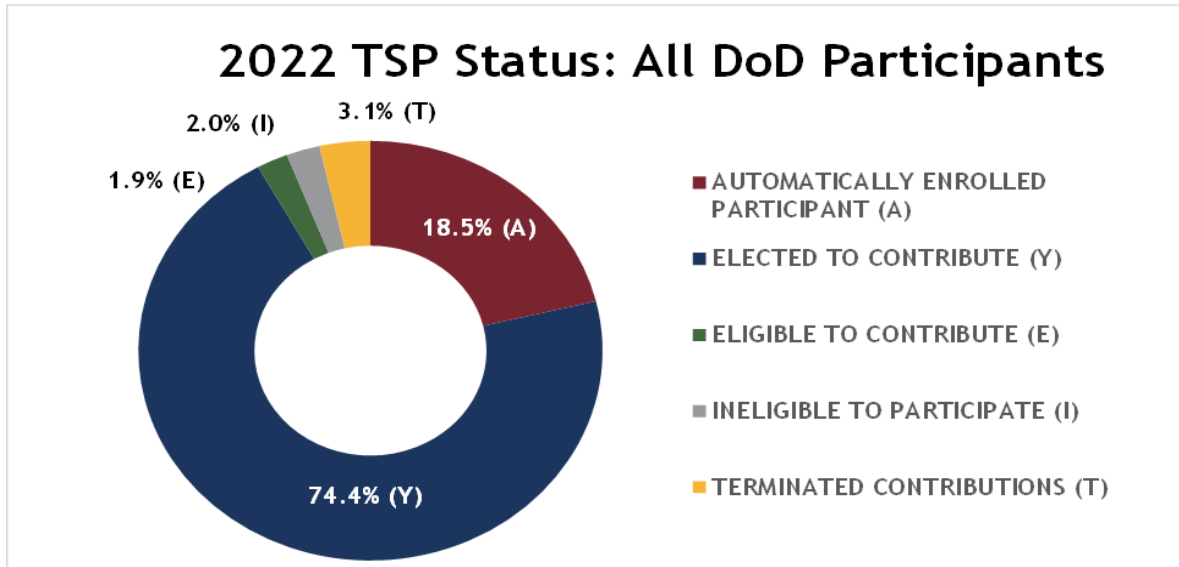
Note: Does not include civilians who contributed a dollar amount. Approximately 87 percent of DoD TSP participants contributed a percentage of their salary to TSP as opposed to a specific dollar amount. **Red** denotes the TSP contribution level that had the highest percentage by age group for 2022.



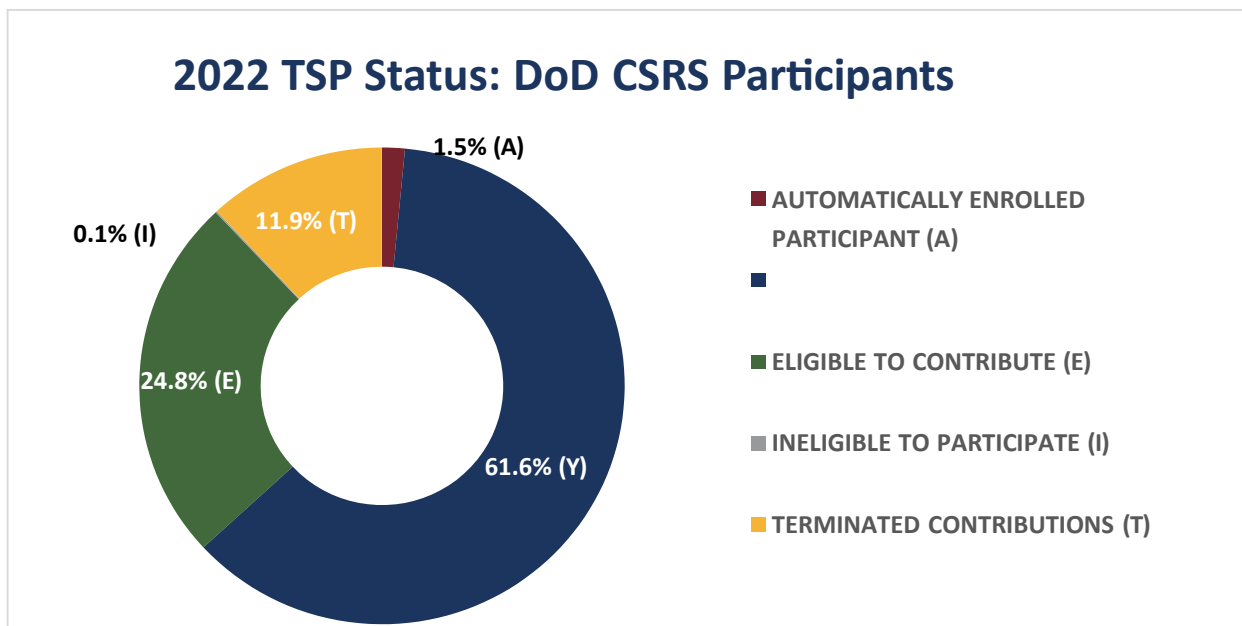
In 2022, the group of employees below 35 age contributed the most in “At five percent.” The highest percentage of contribution level for group of employees between age 35 and 49 in 2022 was “Below five percent.” Civilians aged 50 and over represented the largest population group of employees who contributed “Below five percent” of their salaries in 2022.

## 2022 TSP Contribution Status for DoD Civilians

As of December 31, 2022, 769,965 DoD civilian employees participated in TSP. Each civilian employee who participated in TSP has a TSP Status that details the person's contribution status (level of participation) within the program.



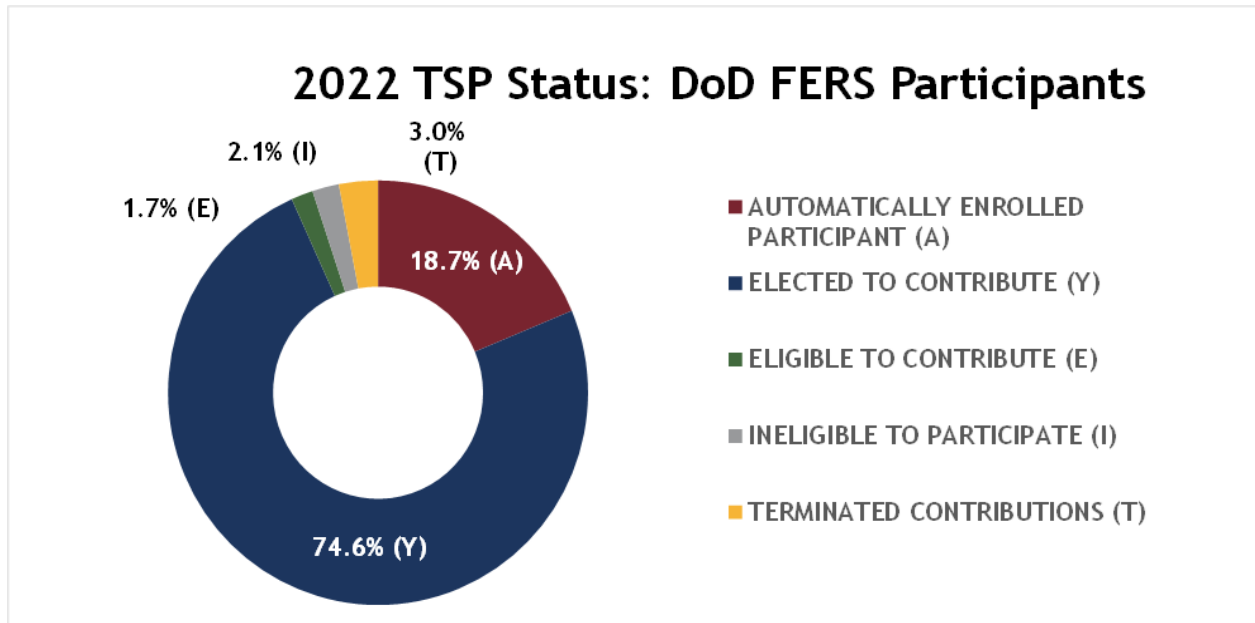
The above chart illustrates 92.9 percent of the DoD TSP population who were either automatically enrolled or elected to contribute. This represents a percentage point increase of 0.4 percent compared to the previous year 2021.



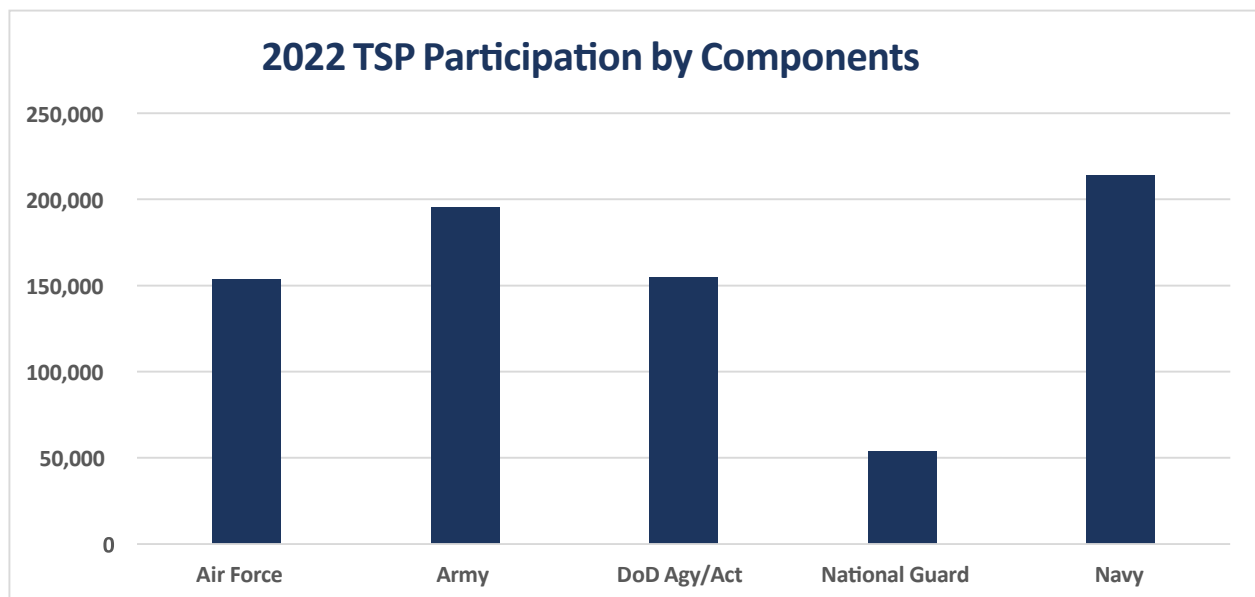
The above chart illustrates 86.4 percent of DoD CSRS employees who were eligible to contribute, but only 61.6 percent of CSRS employees elected to participate, which was a decrease of one percent, comparing to 2021.



## 2022 TSP Contribution Status for DoD Civilians (cont.)



The above chart illustrates 93.3 percent of DoD FERS employees who were actively contributing to their TSP accounts via automatic enrollment or election. This represents a percentage increase of 0.4 percent compared to 2021, which is usual since there has been a steady percentage increase in the number of FERS employees who elected to contribute to TSP in the last few years. Under the TSP Enhancement Act of 2009, the increase of automatic contribution percentages from three percent to five percent for new or newly hired employees has helped a steady percentage increase of contributions. FERS-RAE and FERS-FRAE represents about 49 percent of the FERS TSP population.



The above chart illustrates the number of employees who participated in TSP by Component in 2022. Army and Navy civilian employees remained the top two contributors amongst all.

## Financial Fitness

In 2022, consumers dealt with a record high inflation rate, high interest rates, and a plunging stock market. The Consumer Price Index (CPI) increased 9.1 percent over the year ending June 2022, the largest increase in 40 years (Source: The Economics Daily: U.S. Bureau of Labor Statistics). With little to no increase in income, consumers had to spend more money to buy items and services. While mortgage rates fell to record lows in 2020 and 2021 during the COVID pandemic, this trend completely changed in 2022. With inflation running high, mortgage rates kept rising sharply throughout 2022, making it much more difficult to purchase a home for first-home buyers. Adding to this sad news, the stock market dropped significantly during 2022 and had its worst annual loss since 2008. Now, it's become even more important for consumers to spend money wisely and to manage budgets better.

Things are continuously moving away from traditional financial practices. Consumers are going digital by using Apps and mobile deposits to better manage finances with a few clicks online, vice physically walking into financial institutions.

The FRTIB acknowledged this trend and fully integrated into a new system during 2022. TSP participants now have access to new features and tools in order to make it easier to navigate and make transactions online.

OPM maintains an updated listing of financial literacy resources which provide external links on financial planning tools for new, mid-career, pre and post retirement phases of Federal employees at (<https://www.opm.gov/retirement-services/benefits-officers-center/#url=Financial-Literacy>).

DoD Components and Agency Benefit Officers have vital roles to provide relevant and useful financial information, resources, and tools to their employees whenever readily accessible.

Best practices that help in developing a retirement financial literacy education plan are:

- Provide a robust budget guidance to reflect constantly changing income and expenses, especially to protect from economic downturn.
- Offer information and promote awareness on various benefits programs to include TSP, Social Security, Medicare, FEHB, FEGLI, Federal Long Term Care Insurance Program, and Survivor Benefits.
- Provide retirement readiness information to employees at a minimum of the three career points: new employee, mid-career, and pre-retirement.
- Provide at the minimum annual reminders to employees to review personnel records and retirement plans.
- Utilize a mixed use of media and resources to disseminate information to employees.
- Provide training to employees on self-service benefits platforms such as a Government Retirement and Benefits (GRB).
- Ensure financial education activities are informational and educational and do not provide specific financial investment advice.

DCPAS continues to work with DoD Components to establish the expected procedures and guidelines. DCPAS shares best practices and challenges, resources, and the annual DCPAS Financial Fitness Survey data results to the Agencies and Components who provided their annual reports in accordance with OPM's guidelines.

Employees also play a critical role to become financially fit along with the best retirement financial literacy program. Employees are encouraged to attend available financial education workshops, webinars, or online/offline classes that their Agencies offer. Employees must stay tuned with available updates regarding their benefits and take responsibility to make sound decisions that affect their retirement.

## Flexible Spending Account (FSA)

The Federal Flexible Spending Account Program (FSAFEDS) allows Federal employees to contribute a portion of their salary on a pre-tax basis to pay for either eligible medical expenses, or to assist with paying for dependent care cost. The two benefit types are Health Care FSA (HCFSA) and Dependent Care FSA (DCFSA). FSAs are governed by Section 125 of the Internal Revenue Code. Flexible Spending Accounts (FSA) became effective July 1, 2003, to active Federal Civilian employees only; active duty Military Personal and Federal annuitants are not eligible to enroll. The contribution limits are subject to change. Participants make annual and separate elections for HCFSA and DCFSA.

### FSAFEDS Changes in 2022

Health Flexible Spending Accounts (Includes limited-purpose FSAs)	2022	2021	Change
Maximum salary deferral contribution	\$2,850	\$2,750	+100
Maximum carryover amount *	\$570	\$550 (as indexed, but carryover of full unused balance allowed)*	+20 (indexed amount)
*The Consolidated Appropriations Act, 2021, allowed unlimited carryovers of health FSA balances into the next plan year for plan year 2021.			

Source: IRS Revenue Procedure 2021-45

Dependent Care FSAs (DC-FSAs)	2022	2021	Change
Maximum salary deferral (single taxpayers and married couples filing jointly)	\$5,000	\$5,000 (as indexed, but raised to \$10,500)	No change (indexed amount)
Maximum salary deferral (married couples filing separately)	\$2,500	\$2,500 (as indexed, but raised to \$5,250)*	no change (indexed amount)
*The American Rescue Plan Act raised allowable pretax contribution limits for DC-FSAs for calendar year 2021 only			

## 2022 FSA Participant Totals by DoD Components

DoD Components	Total Participants	Dependent Care	Health Care	Limited Expense	Total Accounts
ALL OTHER DOD AGENCIES - OVERSEAS	597	89	557	20	666
ALL OTHER DOD AGENCIES - STATESIDE	16,702	2,779	15,606	408	18,793
DEFENSE CAREER MANAGEMENT SUPPORT AGENCY	19	8	18	-	26
DEFENSE INTELLIGENCE AGENCY	1,989	516	1,833	38	2,387
DEFENSE PROGRAMS SUPPORT ACTIVITY	1	1	1	-	2
NATIONAL GEOSPATIAL - INTELLIGENCE AGENCY	8,570	1,578	7,905	206	9,689
<b>TOTAL</b>	<b>27,878</b>	<b>4,971</b>	<b>25,920</b>	<b>672</b>	<b>31,563</b>

## Federal Long Term Care Insurance Program (FLTCIP)

The Federal Long Term Care Insurance (FLTCIP) is sponsored by OPM and is insured by John Hancock Life & Health Insurance Company, which is administered by Long Term Care Partners, LLC. FLTCIP plans reimburse policy holders for the cost associated with long-term care associated with the activities of daily living (ADL). Basic ADLs are personal hygiene or grooming, dressing, toileting, transferring and eating. The FLTCIP assists with paying for services at both inpatient and outpatient facilities.

The FLTCIP current rules allow eligible employees and family members to apply for coverage under the full underwriting process, providing a continuous open enrollment season. In June 2022, OPM under BAL 22-901, purposed an application suspension period to evaluate the benefit offerings and to create sustainable premium rates.

On Friday, November 18, 2022, OPM issued a notice to the Federal Register its intent to suspend applications for the FLTCIP coverage. The suspension period began on Monday, December 19, 2022 and will last for at least 24 months.

All applications received prior to the suspension date were considered. If the carrier approved the application, the individual would have received a benefit booklet and schedule of benefits that contained complete coverage information.

Current enrollee status and benefit eligibility is not affected; coverage will continue without interruption.

## 2022 HR Significant Benefits Updates

OPM has Government-wide responsibility and oversight for Federal benefits administration. The Benefits Administration Letters (BALs) and important benefits information that are captured below provide guidance to the HR community.

DATE	EVENT
November 17, 2021	<p><b>BAL 21-601 FEHB Program: Removal of Ineligible Family Members from Enrollments</b></p> <p>This BAL outlines the steps employing offices need to take to request proof of family eligibility and the process for employees to request reconsideration of a decision to remove an individual from enrollment.</p>
November 17, 2021	<p><b>BAL 21-602 Family Member Eligibility Verification for Federal Employees Health Benefits (FEHB) Program Coverage</b></p> <p>This BAL directs employing offices to request proof of family member eligibility during two circumstances outside of the annual FEHB Open Season: Initial Enrollment Opportunity (IEO) and all other QLEs.</p>
December 21, 2021	<p><b>BAL 22-102 Annual Changes</b></p> <p>This BAL contains the updated information that contains the annual changes, such as interest rate and cost-of-living adjustments for 2022.</p>
December 2021	<p><b>BAL 22-301 Calendar Year 2022 Interest Rate</b></p> <p>This BAL notifies Agencies of the U.S. Treasury's announcement; Calendar Year (CY) 2022 interest rate is 1.3750 percent.</p>
January 2022	<p><b>BAL 22-303 Federal Employee Benefits Cost Factors for Calculating Imputed Cost, Fiscal Year (FY) 2022</b></p> <p>This BAL provides the FY 2022 cost factors for Federal civilian benefits programs. These factors will be used by the Agencies to calculate their imputed costs related to CSRS, FERS, FEHB, and</p>

## 2022 HR Significant Benefits Updates (cont.)

DATE	EVENT
January 22, 2022	<p><b>BAL 22-201 FEHB Coverage of COVID-19 Over-the-Counter Tests, Vaccines, and Therapeutics</b></p> <p>This BAL highlights the FEHB Carrier Letter 2022-01 issued by OPM providing updated guidance on coverage for countermeasures against COVID-19. FEHB carriers directed to provide up to eight Over-the-Counter (OTC ) COVID-19 tests per covered individual per month, at no charge.</p>
January 26, 2022	<p><b>BAL 22-601 FEHB Coverage of COVID-19 Over-the-Counter Tests, Vaccines, and Therapeutics</b></p> <p>This BAL highlights the FEHB Carrier Letter 2022-01, issued by OPM providing updated guidance on coverage for countermeasures against COVID-19. FEHB carriers directed to provide up to eight OTC COVID-19 tests per covered individual per month, at no charge.</p>
February 2, 2022	<p><b>BAL 22-202 Shutdown Furlough Guidance Update</b></p> <p>OPM issued a final rule, 86 FR 17271, on April 2, 2021, to ensure continuation of certain benefits and services. FEHB Program and FEGLI Program coverages will continue during a shutdown furlough. It also serves as a reminder that insurance premiums to be paid from retroactive pay.</p>
March 15, 2022	<p><b>BAL 22-101 Changes to Acceptable Signature Requirements on Retirement Processing Forms</b></p> <p>This BAL is to outline the new changes to the signature requirements for retirement package forms. This BAL supersedes the temporary signature requirements outlined in BAL 20-102.</p>
August 2, 2022	<p><b>BAL 22-801 The Federal Flexible Spending Account Program (FSAFEDS): 2022 Administrative Fees</b></p> <p>This BAL notifies Agencies that the FSAFEDS administrative fees will change for 2022. Refer to AL 21-801 for FSAFEDS fees.</p>

## 2022 HR Significant Benefits Updates (cont.)

DATE	EVENT
September 6, 2022	<p><b>BAL 22-401 2022 Federal Benefits Open Seasons: FEHB, FSAFEDS and FEDVIP</b></p> <p>This is the first in the series of 2022 Federal Benefits Open Season Benefits Administration Letters (BALs). It provides general information about this year's Federal Benefits Open Season, which will run Monday, November 14, 2022 through Monday, December 12, 2022.</p>
September 6, 2022	<p><b>TBAL 22-701 2022 FEHB Open Season for Tribal Employees Announcement</b></p> <p>This is the first of our series of 2022 Open Season Tribal BALs. It provides general information about this year's FEHB Open Season for Tribal Employees. This year, Open Season runs from Monday, November 14, 2022, through Monday, December 12, 2022.</p>
October 7, 2022	<p><b>BAL 22-103 Updates to the Data Exchange Gateway (DEG) and DEG Data Set Starter Kit</b></p> <p>This BAL supersedes BAL 14-105 and provides additional updates to the Data Exchange Gateway (DEG) and issues the revised DEG Data Set Starter Kit. The DEG is a method for Agencies, payroll offices, and shared service centers to electronically transmit data to Retirement Services (RS).</p>
October 14, 2022	<p><b>BAL 22-402 Federal Benefits Open Season: Ordering and Distributing Materials and Conducting the Open Season</b></p> <p>This BAL is the second in our series of 2022 Federal Open Season BALs. It provides instructions for ordering and distributing Open Season materials including program materials for FSAFEDS, FEDVIP, and FEHB, as well as instructions on conducting the Federal Benefits Open Season.</p>
October 14, 2022	<p><b>TBAL 22-702 2022 FEHB Open Season for Tribal Employees: Ordering and Distributing Materials and Conducting the Open Season</b></p> <p>This TBAL is the second in our series of 2022 FEHB Open Season for Tribal Employees TBAL. It provides instruction for ordering and distributing FEHB Open Season materials as well as conducting Open Season.</p>



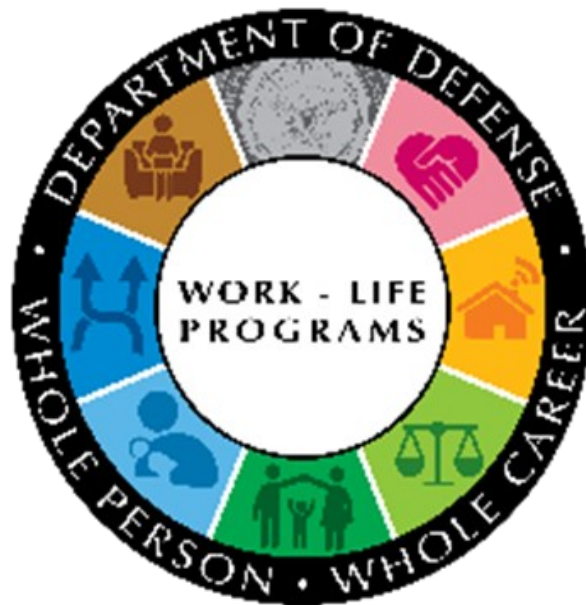
## 2022 HR Significant Benefits Updates (cont.)

DATE	EVENT
October 14, 2022	<p><b>TBAL 22-703 2022 FEHB Open Season for Tribal Employees: FEHB Program Significant Plan Changes</b></p> <p>This is the third and final TBAL in our series of 2022 FEHB Open Season for Tribal Employees TBALs. This TBAL provides information on significant plan changes for the FEHB Program for 2023.</p>
October 17, 2022	<p><b>BAL 22-403 Federal Benefits Open Season: Significant Plan Changes</b></p> <p>This the third and final in our series of 2022 Federal Benefits Open Season BALs for the FSAFEDS, FEDVIP, and FEHB Programs. This BAL provides information on significant FEHB plan changes for 2023.</p>
November 2022	<p><b>BAL 22-901 New Federal Long Term Care Insurance Program (FLTCIP) Regulations and Announcement of Suspension Period for FLTCIP Applicants</b></p> <p>This BAL announces the suspension period of applications and coverage increases for the FLTCIP.</p>

## DoD Work-Life Programs

The foundation of the DoD Mission is personnel readiness and resiliency. To achieve and succeed in this mission, every DoD employee must be able to perform at peak effectiveness. Work-Life Programs promote an enduring and healthy approach to improving readiness and resilience in individuals and work units. DoD is committed to recruiting, supporting, and retaining a talented and productive workforce.

Work-Life Programs encourage the use of workplace flexibilities and programs to empower employees to deliver exceptional and efficient service while meeting family responsibilities and their needs at home through the issuance of policy, program management and promotion of workplace flexibilities.



## DoD Wellness Programs

On June 23, 2014, Executive Memorandum “Enhancing Workplace Flexibilities and Work-Life Programs” was signed directing Federal Agencies to further promote a culture in which managers and employees understand the available workplace flexibilities and work-life programs.

Component and Agency heads are encouraged to take steps to increase employees’ awareness and the availability of work-life programs. Key work-life programs offered to DoD employees include Worksite Health and Wellness Programs, Employee Assistance Programs, Family Care Programs, and Workplace Flexibilities such as Telework and Remote Work.

In FY 2022, we continued to see a large utilization rate in many of the DoD Work-Life Programs, as the workforce continues to navigate through unprecedented challenges due to the Coronavirus Disease 2019 (COVID-19) pandemic. Across the DoD, Agencies continued to leverage a variety of workplace flexibilities to recruit high quality candidates, promote employee engagement and productivity, and maximize workforce retention.

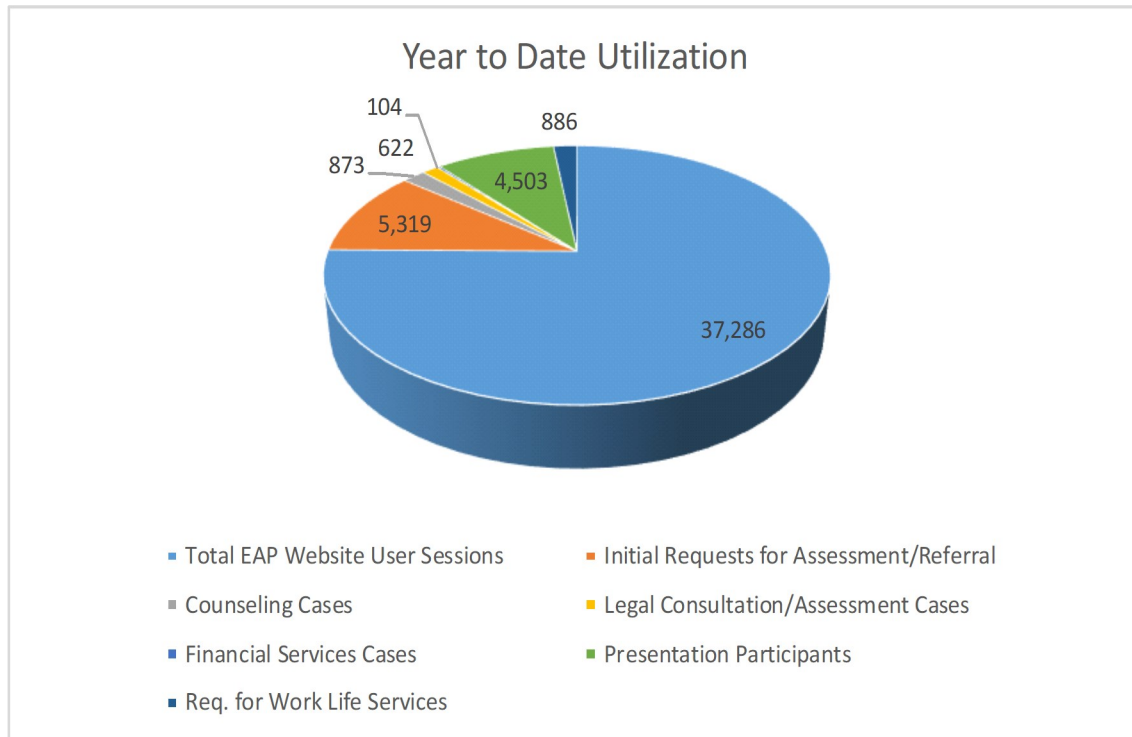
## Employee Assistance Program (EAP)

On September 1, 2019, the Department of Health and Human Services (HHS), Federal Occupational Health (FOH) Division, unexpectedly suspended DoD's Wellness/Health Promotion, Occupational Health, and Employee Assistance Programs (EAP) services. DCPAS worked with Washington Headquarters Services (WHS), DoD EAP/Work-Life coordinators, and Contracting Specialists to establish a 12-month bridge of services for each of the current contracts, with a start date of November 10, 2019. Upon completion of the Bridge contracts, WHS established DoD Enterprise contracts for EAP, Wellness/Health Promotion and Occupational Health. The WHS EAP/Work-Life contract is currently supported by Magellan Federal. The Vendor provides support to DoD in the areas of:

- Encouraging employees, supervisors and managers to call the EAP and Work-Life Program representatives to discuss personal concerns that are a cause of stress (e.g. depression, anxiety, trauma, stressors related to COVID-19 etc.).
- Empowering employees in their efforts to resolve personal issues that may adversely impact or cause deficiencies in work performance or conduct.
- Assisting employees in balancing their professional and personal lives by linking them with programs and services that can help them attain and maintain this equilibrium.
- Equipping employees with information and referral resources that assist in the caring for dependent family members.
- Supporting supervisors, managers, and other workplace leaders in managing the diverse, complex demands of the workplace.
- Providing support in response to Critical Incidents.
- Substance abuse counseling for alcohol and drugs.
- Counseling services for Sexual Harassment and Sexual Assault.

## EAP (cont.)

Listed below is the Year-to-Date utilization report provided by Magellan Federal. The report lists Total EAP Website User Sessions, Initial Requests for Assessment/Referral, Counseling Cases, Legal Consultation/Assessment Cases, Financial Services Cases, Presentation Participants, and Requests for Work-Life Services.



Magellan Federal also provides statistics on the overall usage of all aspects of the current EAP contract. To quantify this data, Magellan Federal utilizes an Activity Use Rate (AUR). The AUR tracks initial requests for assessment referrals, counseling cases, legal & financial requests, participation in health and wellness presentations, grief groups, Critical Incident Stress Management (CISM) activity, health fairs and orientations. Members may have more than one service during the reporting period. The DoD's annual AUR as of 4Q was 36.48 percent.

WHS and DCPAS Leadership agree that a focused effort on promoting the program, specifically Work-Life services, should lead to higher utilization rates in 2021-2022. Services such as: assistance with Child Care, Adult Care and Aging, Academics and Financial Aid, Services for Children with Special Needs and Legal/Financial services would be utilized by a much broader audience. Unfortunately, studies find that many employees have a negative connotation associated with EAP services. The stigma around EAP services is that they are only for Drug and Alcohol counseling, or people having mental difficulties coping with the rigors of daily life. A concentrated effort on promoting the more positive aspects of the EAP/Work-Life program should lead to higher utilization rates in 2023.

## Workplace Flexibilities

Workplace flexibilities are work schedule programs and policies that support an employee’s work-life responsibilities, including telework, alternative work schedules (AWS), flexible hours, part-time schedules, and job-sharing.

### Alternative Work Schedules

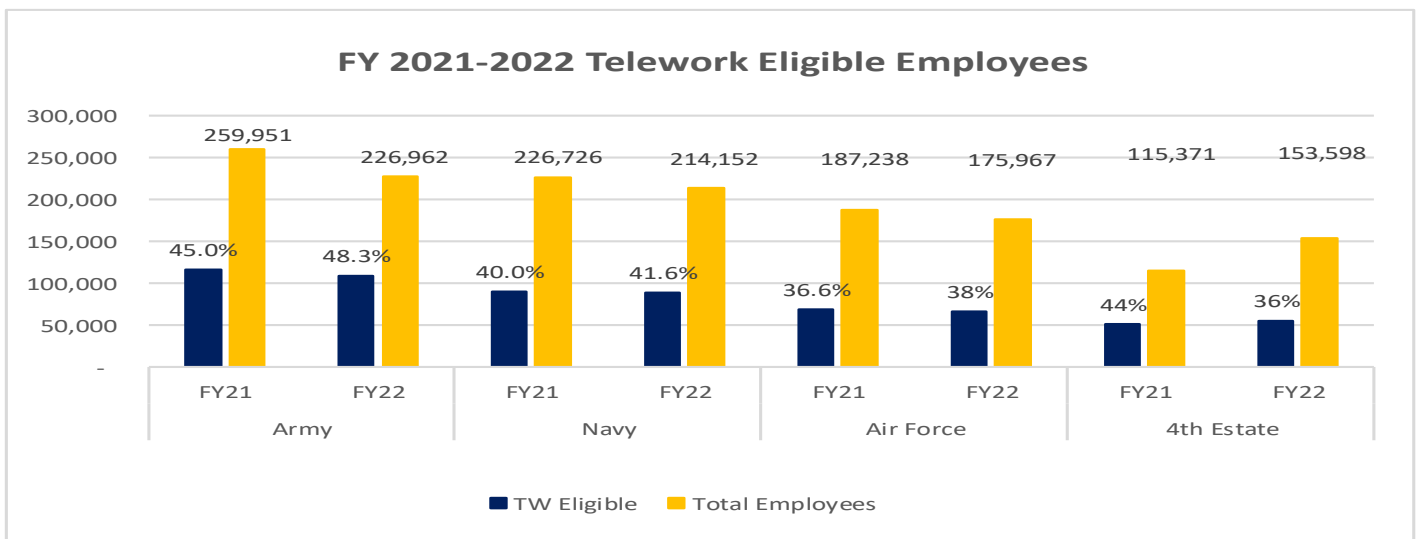
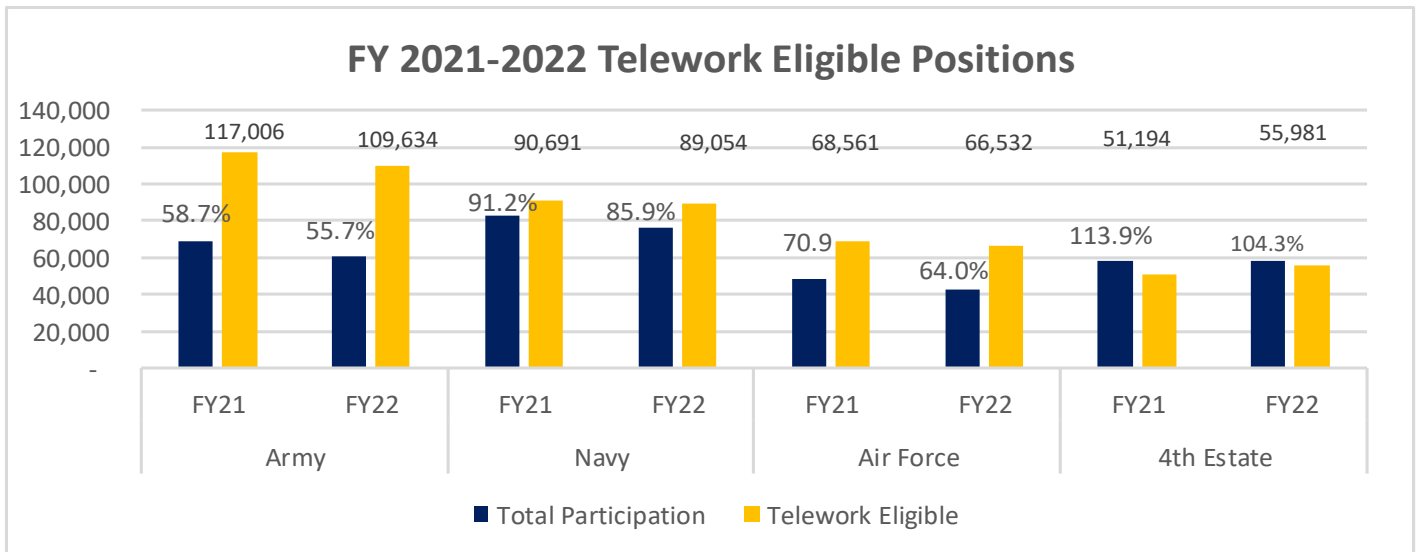
The most widely used workplace flexibility used within DoD is flexible work schedules. The chart below illustrates the usage of flexible work schedules.

	Not on AWS	Flexi-tour	Gliding	Variable Day	Variable Week 80 Hrs	Maxi-flex 80 Hrs	Compressed 80 Hrs BIWK	First Forty	Compressed 40 Hr/ Wk	Variable 40 Hr/ Wk	Maxiflex 40 Hr/ Wk	Grand Total
Air Force	51,746	32,930	12,090	330	1,520	18,812	49,128	152	6,558	948	714	174,928
Army	78,280	19,997	18,773	1,256	2,586	13,777	65,177	267	22,393	587	1,172	224,265
DoD	69,437	6,502	14,457	3,089	778	27,482	25,483	114	3,511	102	890	114,268
Navy	75,370	15,468	16,235	1,686	3,003	41,964	52,205	414	4,004	368	984	211,701
Grand Total	274,833	74,897	61,555	6,361	7,887	102,035	191,993	947	34,466	2,005	3,760	762,739

# 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. There has been a significant change in the workplace since COVID-19. Using lessons learned from the pandemic, the DoD has transformed the way we do business. In 2022, DoD continues to exceed its strategic telework goal with over 82 percent of employees participating in the program.

The DoD Telework Working Group, chaired by the DCPAS Benefits and Work-Life Programs Division, 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 developing a new resources to support program awareness. The DoD Collaboration of the telework program coordinators has helped ensure consistency in applying new guidance from OPM, GSA, and OMB.



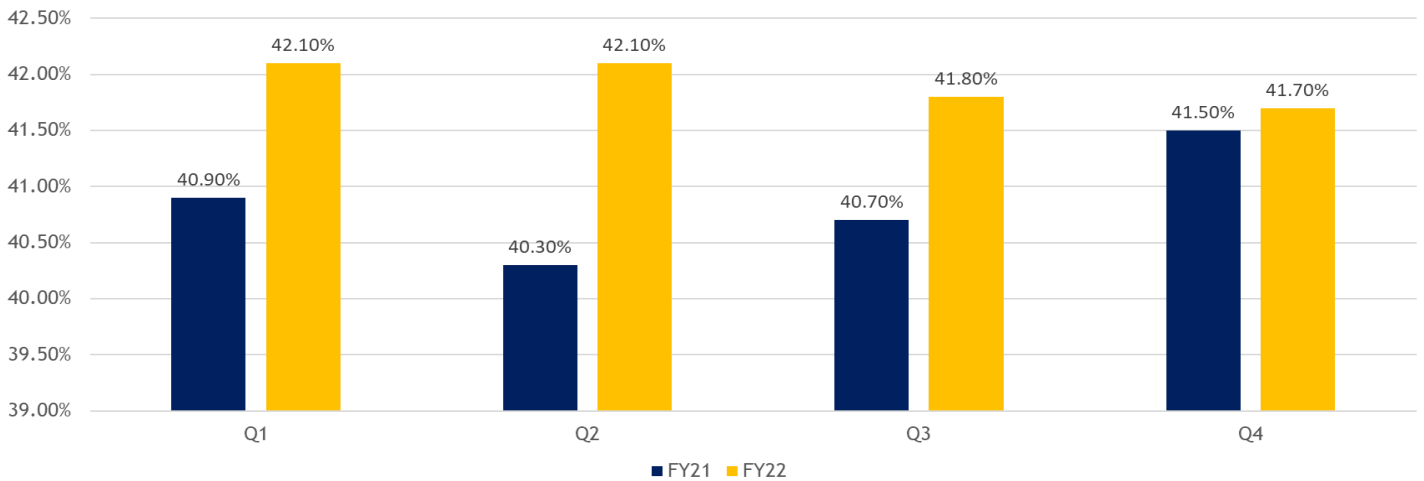
## Telework Participation FY 2022

	<u>FY2021</u>	<u>FY2022</u>
<b>Total DoD Population:</b>	789,365	770,679
<b>Telework Eligible Positions:</b>	337,505	321,201
<b>Total Teleworkers:</b>	323,365	263,443

### Telework Eligibility

	FY22Q1	FY22Q2	FY22Q3	FY22Q4
DoD Population	781,911	772,133	770,885	770,679
Telework Eligible Positions	329,367	324,852	322,255	321,201

### Telework Eligibility Rates



### Current DoD Personnel Telework Participation

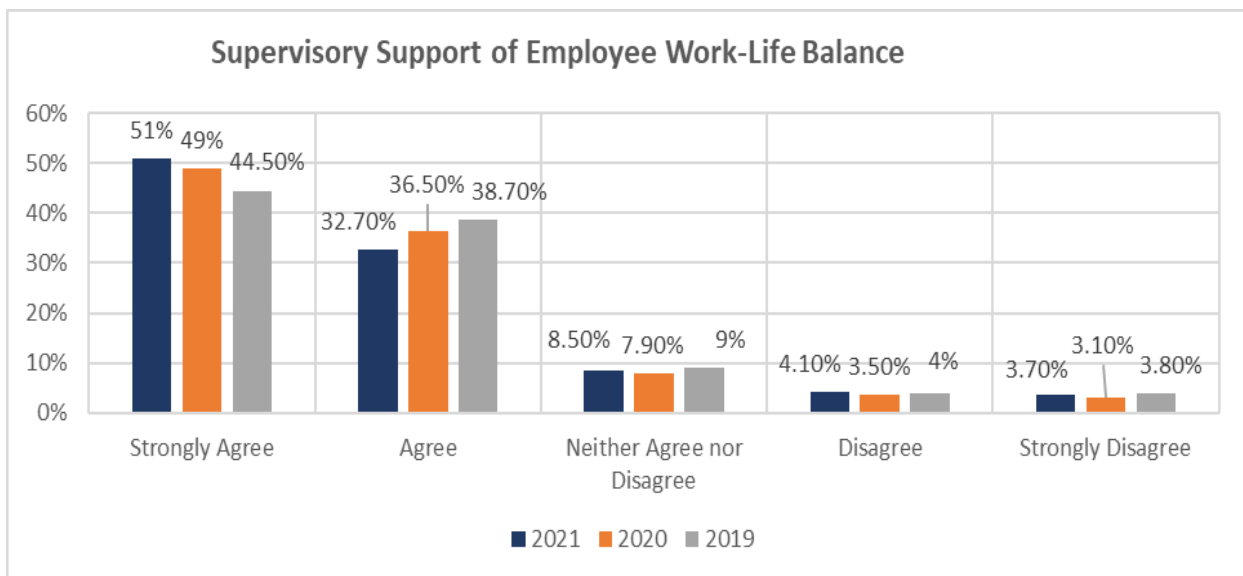
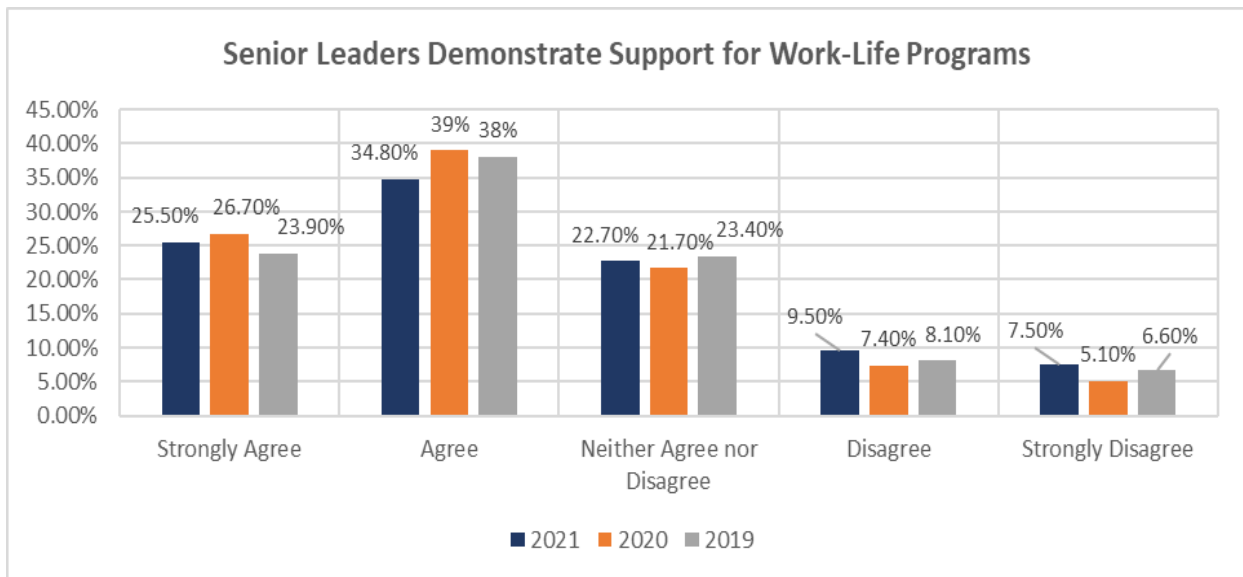
<b>Current Participation Rate:</b>	82%
<b>Telework Participation:</b>	
3+ days per pay period:	253,945
1-2 days per pay period:	31,012
Once per month or less:	14,245
Situational:	180,197

*\*This report reflects FY data vice annual data.*

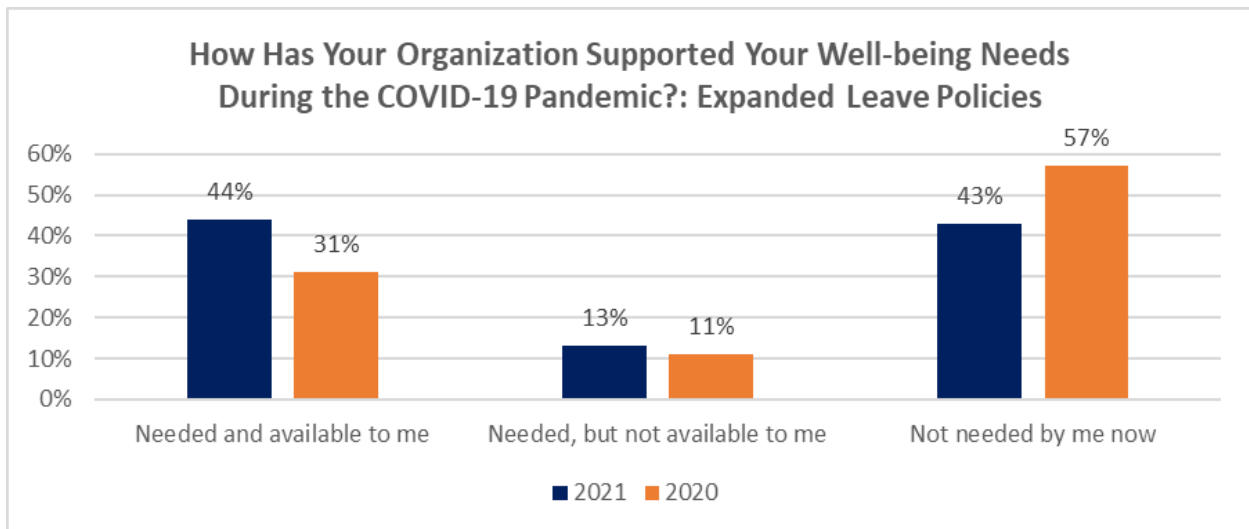
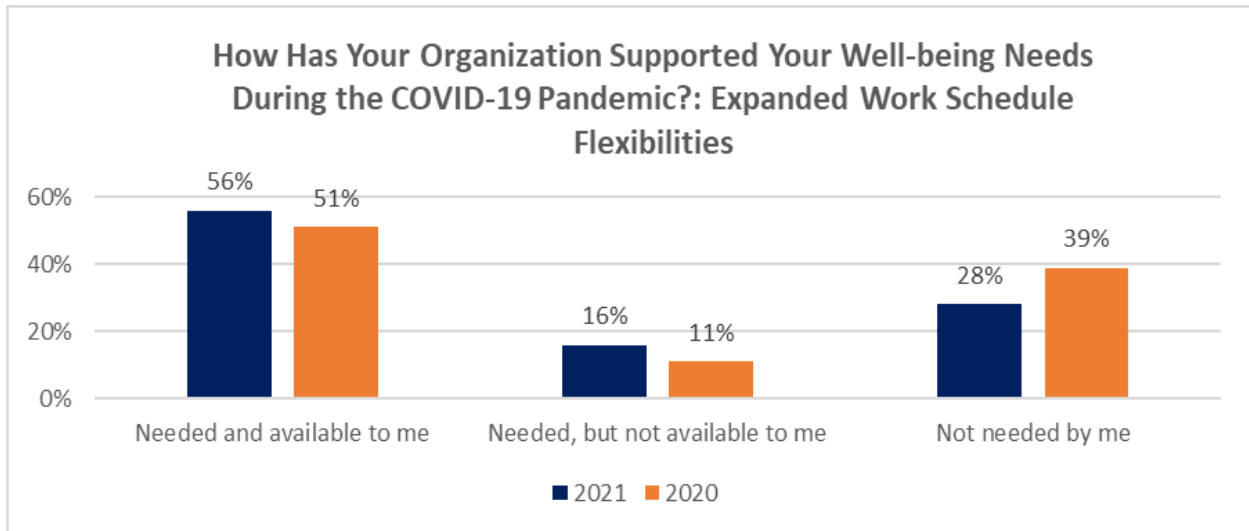
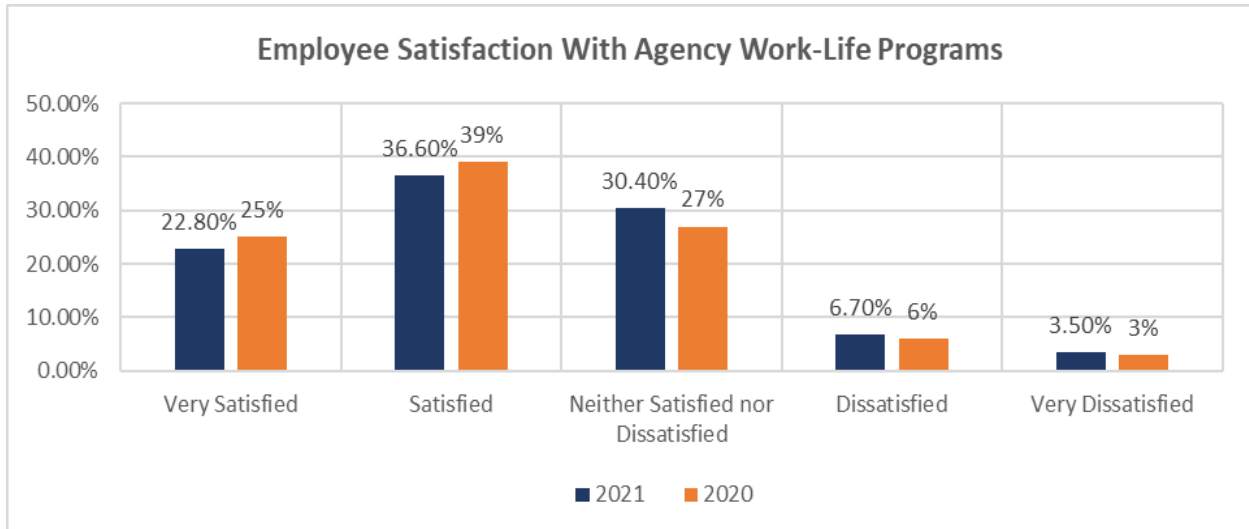


## The 2021 Federal Viewpoint Survey (FEVS)

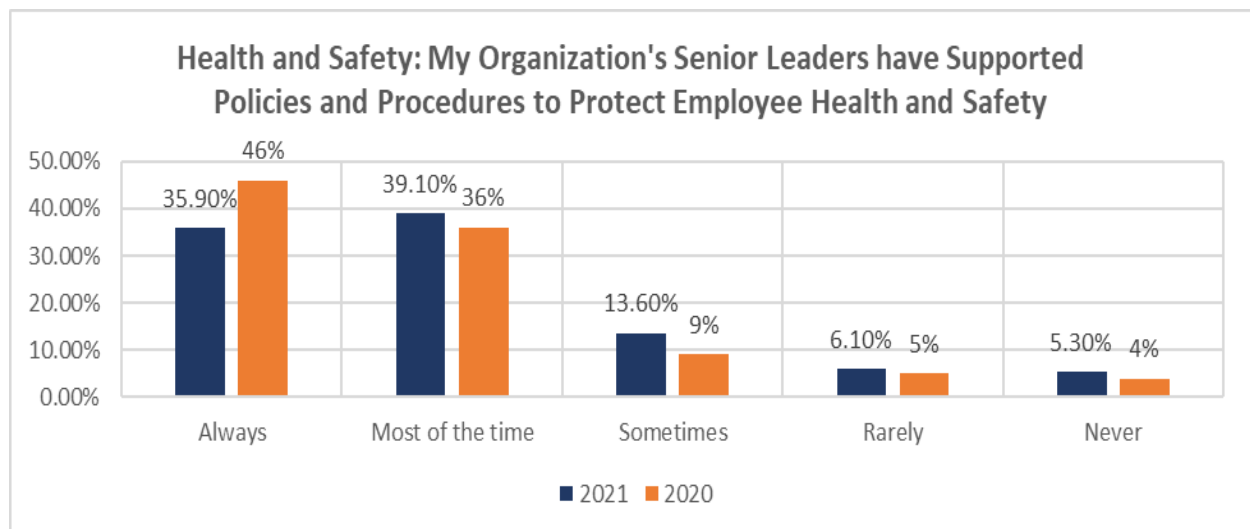
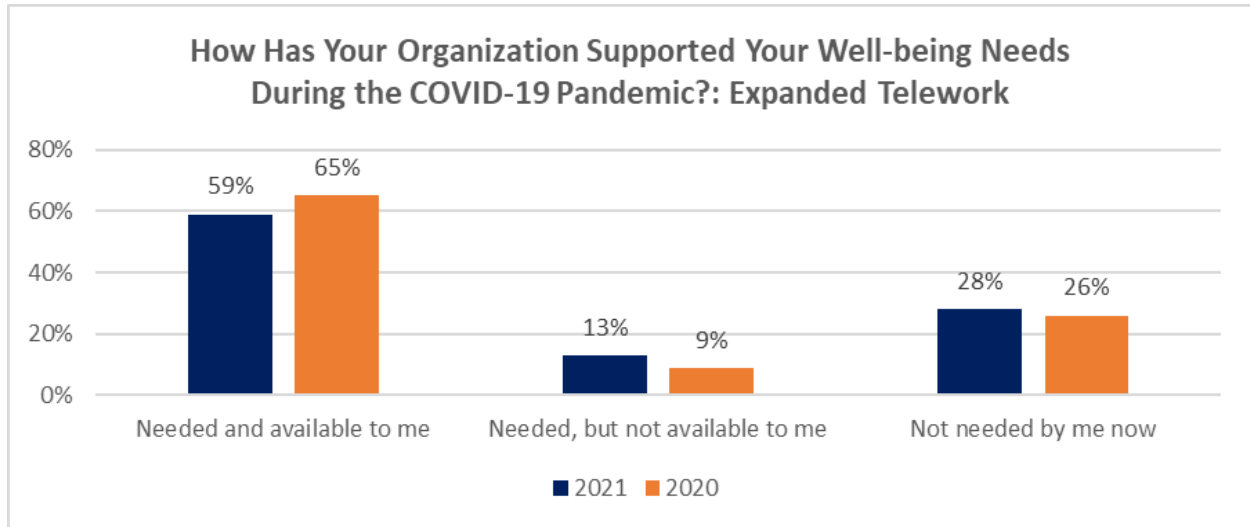
OPM's Federal Employee Viewpoint Survey (OPM FEVS) measures employees' perceptions of whether, and to what extent, conditions characteristic of successful organizations are present in their Agencies. The OPM FEVS serves as a tool for employees to share their perceptions in many critical areas including their work experiences, their Agency, and their leadership. The results provide Agency leaders insight into areas where improvements have been made, as well as areas where improvements are needed. OPM released the 2021 FEVS results in March 2022. The 2021 FEVS was fielded while some Agencies were still being impacted by the COVID-19 pandemic, and others were implementing a hybrid work model and scheduling flexibilities as part transitioning back to the physical workplace. As a result, the 2021 FEVS reflects distinct changes from information extracted from prior FEVS with a focus on areas unique to the COVID-19 Pandemic. Government-wide FEVS results for 2022 were released in October 2022. Agency-specific data will be released in 2023.



## The 2021 FEVS (cont.)



## The 2021 FEVS (cont.)



## Benefits Credentialing Programs

DCPAS has established Credentialing Programs for both the Employee Benefits Advisors (EBAs) and Injury Compensation Program Administrators (ICPAs). These programs are designed to develop the technical competency in both functional areas, respectively. Through these Credentialing Programs, it is our plan to reinforce knowledge of HR concepts, principles, and practices related to retirement, insurance, injury compensation, and other employee benefits programs as prescribed in OPM's HRM Competency Model.

### DoD EBA Credentialing Program

There were 170 credentialing testing attempts this year, a 17.24 percent increase from the 2021 testing attempts. The increase in participation in the Credentialing Program is a direct result of exam candidates taking advantage of our remote proctoring option. The Credentialing Program continues to remain efficient and effective with the use of Remote Proctoring, along with the re-opening of two onsite testing centers in San Antonio, TX for Air Force personnel, and Fort Riley, KS for Army personnel.

We had the pleasure of congratulating nine EBAs on earning their DoD EBA Credentials: four EBAs from Air Force, two EBAs from DLA, two EBAs from Navy, and one EBA from National Guard. Congratulations to all who passed their credentialing exams at Levels I, II, & III!

As we continue to navigate through a predominantly virtual workforce, we persist in making positive strides in the Credentialing Program and are always re-evaluating how to better prepare EBAs for taking the exams. As a result, we are excited to present a fillable handbook -study guide combination that also includes QR codes that allow access to important resources. The new layout of our training material is designed to help EBAs to better prepare for testing by providing knowledge check questions at the end of every module for all three training and credentialing levels. Additionally, we discuss the most frequently missed questions on the Level I, II, and III credentialing exams to determine if an exam question needs revising.



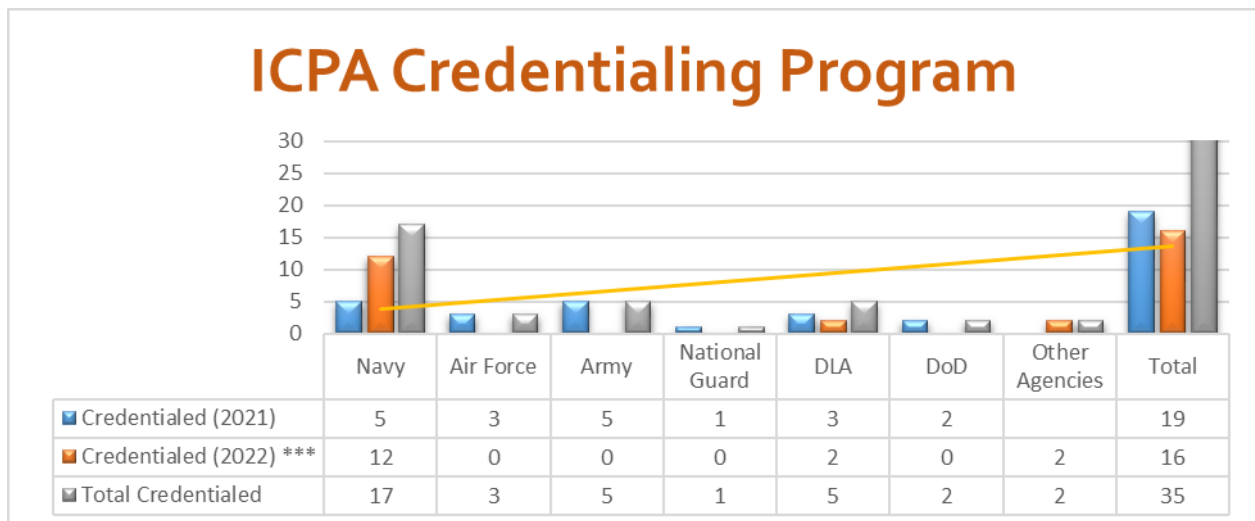
## Benefits Credentialing Programs (cont.)

### DoD Injury Compensation Program Administrator (ICPA) Credentialing Program

As part of the ICPA Credentialing Program, DCPAS launched our Basic Level I test in February 2021. Federal Employees in the Injury Compensation Specialty are the target audience for the ICPA Credentialing Program. Interpreting and administering the laws, rules, and procedures regulating injury compensation for Federal employees remains the main focus of our program. You can become a DoD Injury Compensation Technical Advisor (ICTA) by passing our Levels I and II ICPA credentialing exams.

Since 2021, 31 ICPAs have successfully completed the Level I credentialing exam out of 101 testing attempts. There have been eight testing attempts since the Level II exam debut; four ICPAs have passed.

We are delighted to announce that the following Component ICPAs - two from the Navy, one from DLA, and one from the Department of Veterans Affairs - have received their ICTA credentials. Congratulations to everyone who passed the Level I or II certification exams!



Additionally, we ran a Level III ICPA course pilot program in October 2022 with the help of ICUC staff and eligible specialists from the Components. As we continue to refine our curriculum in light of participant input, we'll be ready for the Level III ICPA Credentialing Program's implementation, which is anticipated to occur in March 2023. All of you who took part in the ICPA Credentialing Program Pilot are appreciated.

Finally, starting in 2023, if you now manage an Injury Compensation (IC) program or want to, you can work toward passing the credentialing exams for Levels I through III and earn credentials as a DoD Senior IC program manager (DoD S-ICPM).



# Benefits Training Programs

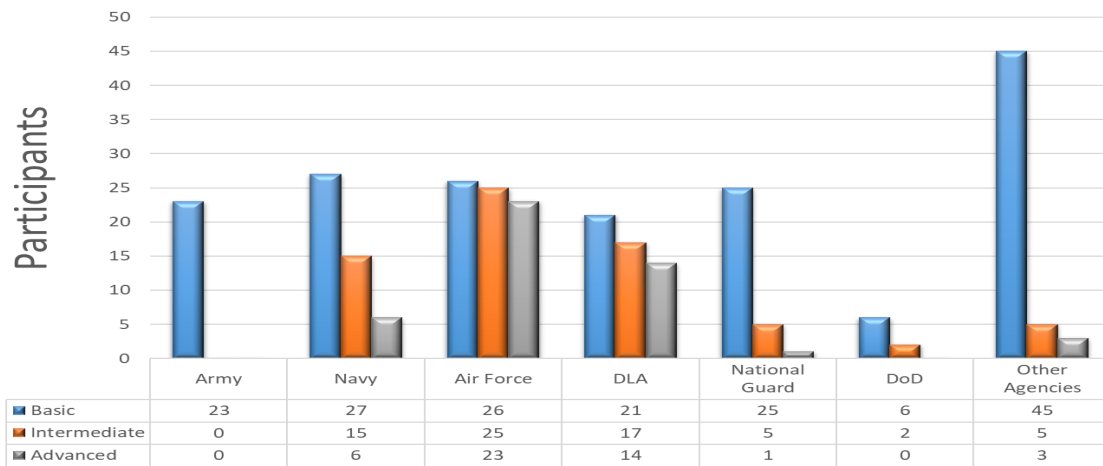
## DCPAS Employee Benefits Training Program

The DCPAS Employee Benefits Training (EBT) program structure and course material are designed to strengthen knowledge of various HR concepts and practices, as well as develop and enhance competencies specific to the Employee Benefits Advisor (EBA). Training is conducted in a virtual classroom setting and emphasis is placed on the core competencies required within the employee benefits functional area.

The EBT Program is comprised of three (3) levels of Federal Employee Benefits Training. Designed for Federal HR professionals; these training levels are presented by expert DCPAS Employee Benefits Advisors (EBAs). The three levels are: 1) The Basic Benefits Course (Level I); 2) The Benefits Intermediate Course (Level II); and 3) The Advanced Benefits Workshop (Level III).

The Benefits Training Team trained 289 participants during 2022 from numerous DoD and non-DoD Agencies. For the year, we completed nine Basic Benefits Courses with 173 total participants, four Benefits Intermediate Courses with 69 participants, and four Advanced Benefits Workshops with 47 participants.

### Employee Benefits Training 2022



For the Basic Benefits Course, 78 percent of participants passed the course Post-Test with an average score of 87 percent; this is the same as 2021’s 87 percent average score. For the Benefits Intermediate Course, 86 percent of participants passed the course Post-Test with an average score of 91 percent; this is the same as 2021’s 91 percent average score. For the Advanced Benefits Workshop, 91 percent of participants passed the course Post-Test with an average score of 91 percent; this is a two percent increase from 2021’s 89 percent average score.



## Benefits Training Programs (cont.)

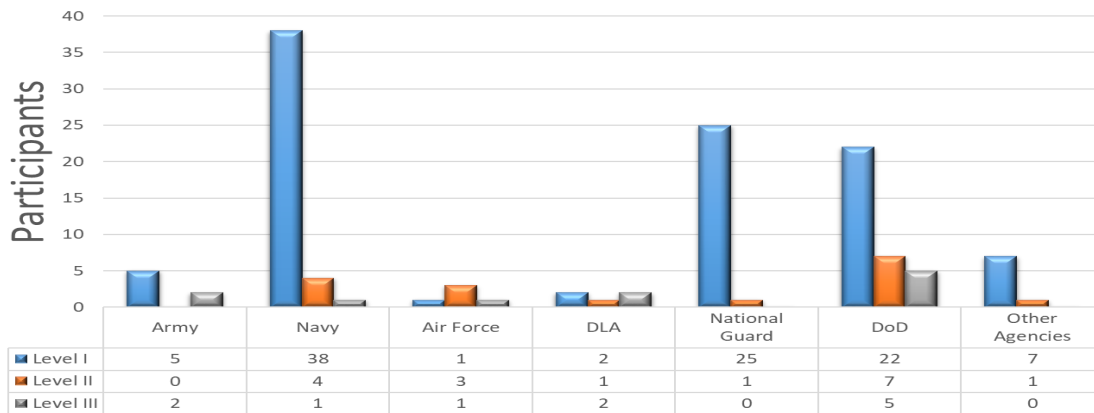
### DCPAS Injury Compensation Program Administrator Training Program

The DCPAS Injury Compensation Program Administrator (ICPA) Training Program promotes consistent knowledge and proficiency within the workers' compensation community. This training centers on the general and core competencies pertaining to the knowledge of workers' compensation concepts, principles, and practices. The ICPA Training Program is conducted virtually, whereas the ICPA receives realistic illustrations and course material developed to reinforce Beginner, Intermediate, and Advanced levels of competency.

This Training Program is comprised of three (3) levels of training. Designed for ICPA Specialists working in workers' compensation, these levels are presented by expert DCPAS Injury Compensation Management Advisors. The three levels are: 1) ICPA Level I (Beginner) Course; 2) ICPA Level II (Intermediate) Course; and 3) ICPA Level III (Advanced) Course.

The ICPA Training Team trained 129 participants during 2022 from several DoD and non-DoD Agencies. For the year, we completed five Level I ICPA Courses with 101 total participants and two Level II ICPA Courses with 17 participants. We also conducted the first pilot Level III course with 11 participants.

### Injury Compensation Program Administrator Training 2022



This was the first year that testing was conducted for the ICPA Levels I and II training courses. For the ICPA Level I Course, 93 percent of participants passed the course Post-Test with an average score of 93 percent. For the ICPA Level II Course, 94 percent of participants passed the course Post-Test with an average score of 96 percent.



## 2022 DoD Virtual Benefits & Work-Life Symposium

The Defense Civilian Personnel Advisory Service (DCPAS) hosted the 2022 Department of Defense Virtual Benefits and Work-Life Symposium from September 26-29, 2022 with the theme: Evolve, Expand, Excel: Emerge to Greater Heights. Over 500 HR professionals from over 42 Federal Agencies registered to attend our four-day event.

While the symposium was open to all Federal HR professionals, the symposium agenda topics favored the competencies required of the HR employee benefits community. The symposium offered more than 40 breakout sessions and workshops covering topics on benefits programs such as Retirement & Insurance, Work-life, Injury Compensation (IC) and Unemployment Compensation (UC). Additionally, there were five plenary sessions featuring keynote speakers who represented government and industry. The plenary sessions also highlighted hot topics and trends found in the employee benefits community.

A huge thank you to all of the HR professionals who could participate and KUDOs to the LOB3 Benefits & Work-Life team for their outstanding work and contribution to very successful first time ever virtual DoD-DCPAS hosted symposium!



**EVOLVE EXPANDEXCEL**  
**Emerge to Greater Heights**

**2022** DoD VIRTUAL BENEFITS & WORK-LIFE SYMPOSIUM



## Injury and Unemployment Compensation (ICUC) Branch Mission

The ICUC Branch is staffed by expert advisors with extensive Federal Employees' Compensation Act (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, Unemployment Compensation, and functional requirements for DoD's enterprise web based application for 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.

The following slides reflect Overall Department Performance. Data sources include the Department of Labor (DOL), the Employees' Compensation & Operations Management Portal (ECOMP) and the Defense Injury and Unemployment Compensation System (DIUCS).

## ICUC Terms

There are a number of terms used throughout this section that are specific to the analysis performed on the Department's FECA costs. Those terms are explained below:

- **FERS Offset:** The reduction in FECA wage loss compensation payable to claimants due to receipt of Social Security Old Age Benefits paid as a result of Federal service where deductions for Social Security were made.
- **Projected Lifetime Cost Avoidance:** An estimate of the amount of FECA wage loss compensation that would be paid out over the lifetime of the claim. This amount takes into account a consistent Consumer Price Index (CPI) increase in wage loss compensation and is calculated to the age of 75.
- **One Time Cost Savings:** An amount determined by DOL to be paid back by the claimant. One Time Savings are generally compensation overpayments to the claimant.
- **Cost Savings for the Year:** An amount of compensation that will not be paid by the Agency from a compensation termination or reduction as a result of a Return-to-Work (RTW) or other case action that occurred during that year. Cost savings reflect actual dollar amounts that were saved for a past period of time. In this case, the period is from the effective date of the compensation termination or reduction to the end of the calendar year.
- **12 Month Cost Savings:** An amount of compensation that will not be paid by the Agency from a compensation termination or reduction as a result of a RTW or other case action. Cost savings reflect actual dollar amounts that were saved for a past period of time. In this case, the period is from the effective date of the compensation termination or reduction to the effective date + one year. This figure is used to compare 12 month labor costs with 12 month savings.

## COVID

The America Rescue Plan Act of 2021 eased certain requirements employees were required to meet in order to get a COVID claim accepted by the DOL:

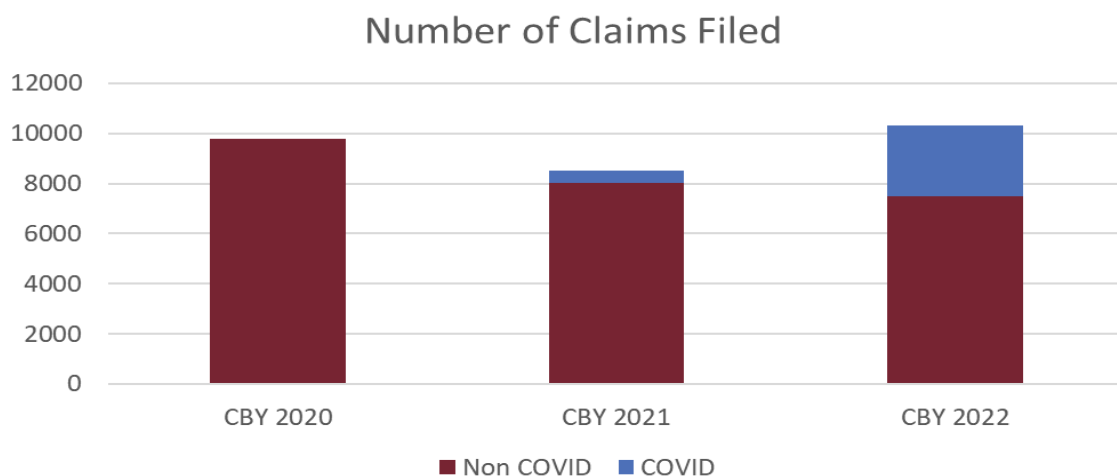
- Federal Employee with valid diagnosis of COVID-19 during the period of January 27, 2020, through January 27, 2023, who experienced a manifestation of COVID-19 symptoms or positive test result with 21 days of covered exposure had the claim accepted by OWCP.
- Covered Exposure is defined as the employee is deemed to have had exposure if, during the covered exposure period, he or she carries out (1) duties that require a physical interaction with at least one other person (a patient, a member of the public, or a co-worker) in the course of employment duties, or (2) duties that otherwise include a risk of exposure to COVID-19.

***These claims were paid by OWCP.***

The coverage under the America Rescue Plan Act (ARPA) of 2021 expired January 27, 2023. Claims for COVID-19 diagnosed after that date must establish the five basic elements for adjudication set forth in the FECA regulations and will be charged back to the agency.

COVID claims over the last three years increased with 2022 having the highest level of COVID claims filed.

It is anticipated that costs for COVID claims, post ARPA, will increase due to the costs now being charged back to the Agency. That will be somewhat offset by the fact that COVID claims will be treated as any other FECA claim and the employee will need to meet the five requirements. This will result in a lower number of COVID claims being accepted.



We have seen a trend of increasing COVID claims over the last three years. During this time, the ARPA of 2021 eased some the requirements for employees to establish a FECA claim for COVID. This can be seen when comparing COVID claims as a subset of total claims. ARPA was in effect for all of 2022 and we can see that Chargeback Year (CBY) 2022 had the largest number of COVID claims filed.

## PEER Initiative

The PEER Initiative expired at the end of FY 2022. The PEER Initiative established seven (7) metrics and targets for an Agency's workers' compensation program. These metrics are:

1. Reducing total injury and illness case rates (Safety metric);
2. Reducing lost-time injury and illness case rates (Safety metric);
3. Increasing the timely filing rate for workers' compensation claims (forms CA-1/CA-2);
4. Increasing the timely filing rate for wage-loss claims (form CA-7);
5. Increasing the rate of return-to-work outcomes during the initial 45-day post-injury period for traumatic injury cases (Continuation of Pay - COP);
6. Improving the rate at which employees return-to-work in cases of moderate to severe injury or illness; and
7. Implementing and fully using DOL's electronic filing system, ECOMP, by September 30, 2020.

Even though the initiative has formally expired, DOL is still measuring Agency performance on the metrics of the initiative until a successor program to PEER is announced.

## FY 2022 Department PEER Performance

PEER Goal	Target	DoD Performance*
<b>GOAL 3:</b> Increasing the timely filing rate for workers' compensation claims (forms CA-1/CA-2).	98%	99%
<b>GOAL 4:</b> Increasing the timely filing rate for wage-loss claims (form CA-7).	98%	99%
<b>GOAL 5:</b> Increasing the rate of return-to-work outcomes during the initial 45-day post-injury period for traumatic injury cases (Continuation of Pay - COP).	82%	91%
<b>GOAL 6:</b> Improving the rate at which employees return-to-work in cases of moderate to severe injury or illness.	Metric provided for each Component	
<b>GOAL 7:</b> Implementing and fully using the U.S. Department of Labor's (DOL) electronic filing system.	100%	100%

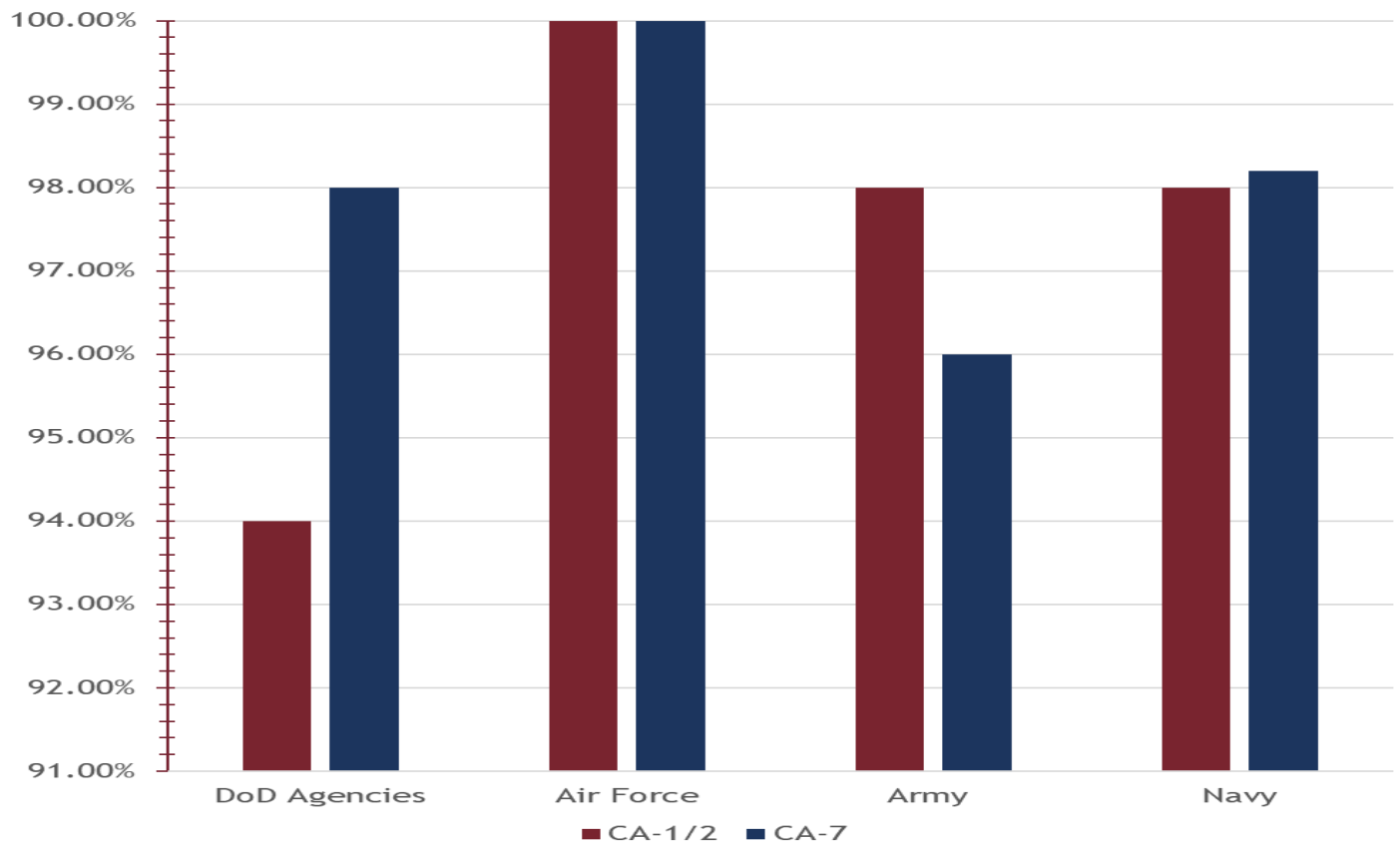
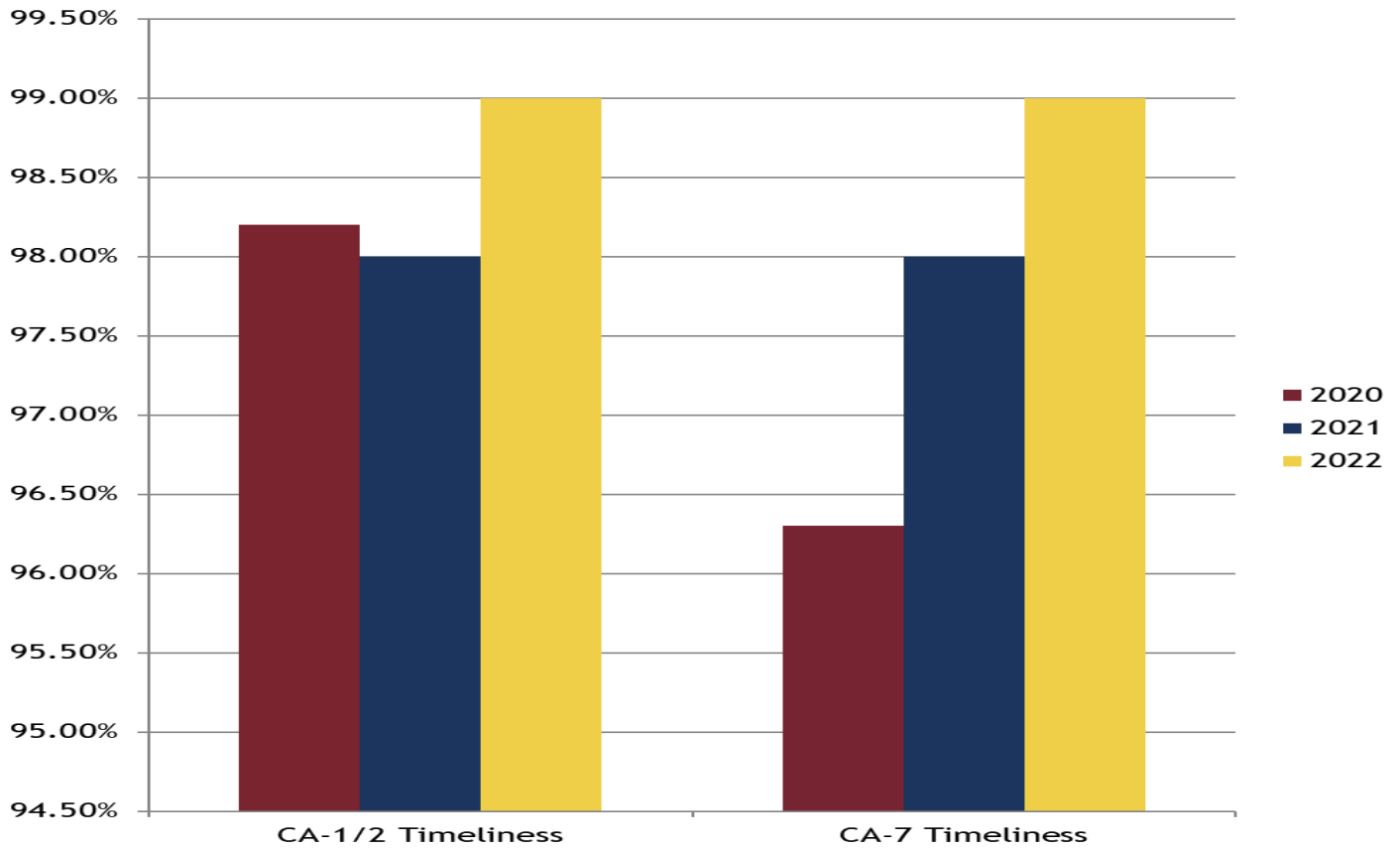
\* PEER metrics are measured on a FY timeframe. Metrics above are for the period ending 9/30/2022.

## FY 2022 Department PEER Performance Goal 6 by Component

PEER Goal	Target	DoD Performance*
<b>GOAL 6:</b> Improving the rate at which employees return-to-work in cases of moderate to severe injury or illness.		
<b>Air Force</b>	92%	87%
<b>Army</b>	92%	95%
<b>DoD Agencies</b>	90%	91%
<b>Navy</b>	95%	97%

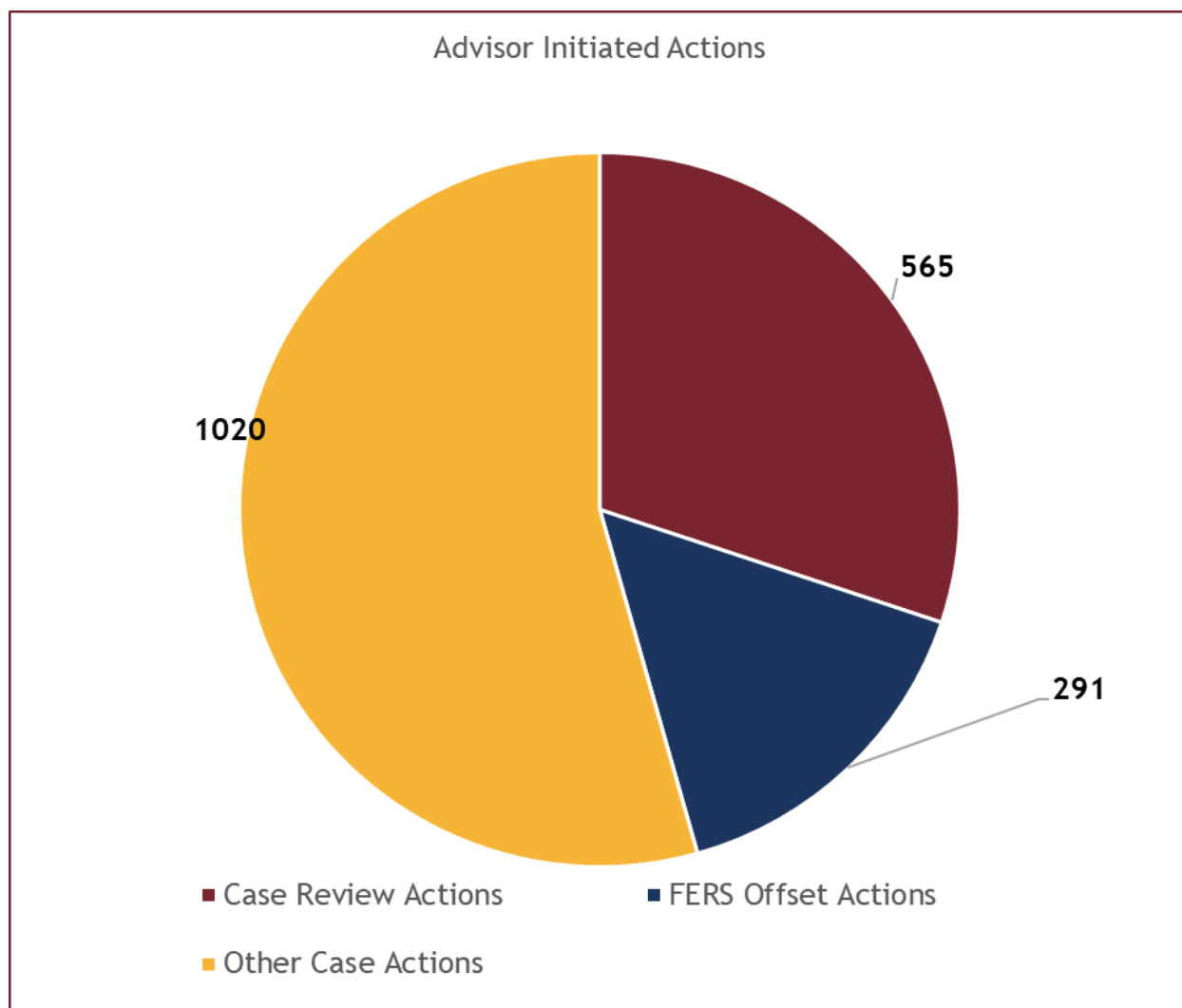
\* PEER metrics are measured on a FY timeframe. Metrics above are for the period ending 9/30/2022.

## Claim Timeliness All DoD and by Component



## Added Emphasis to PEER Goals and Targets in Advisor Initiated Actions

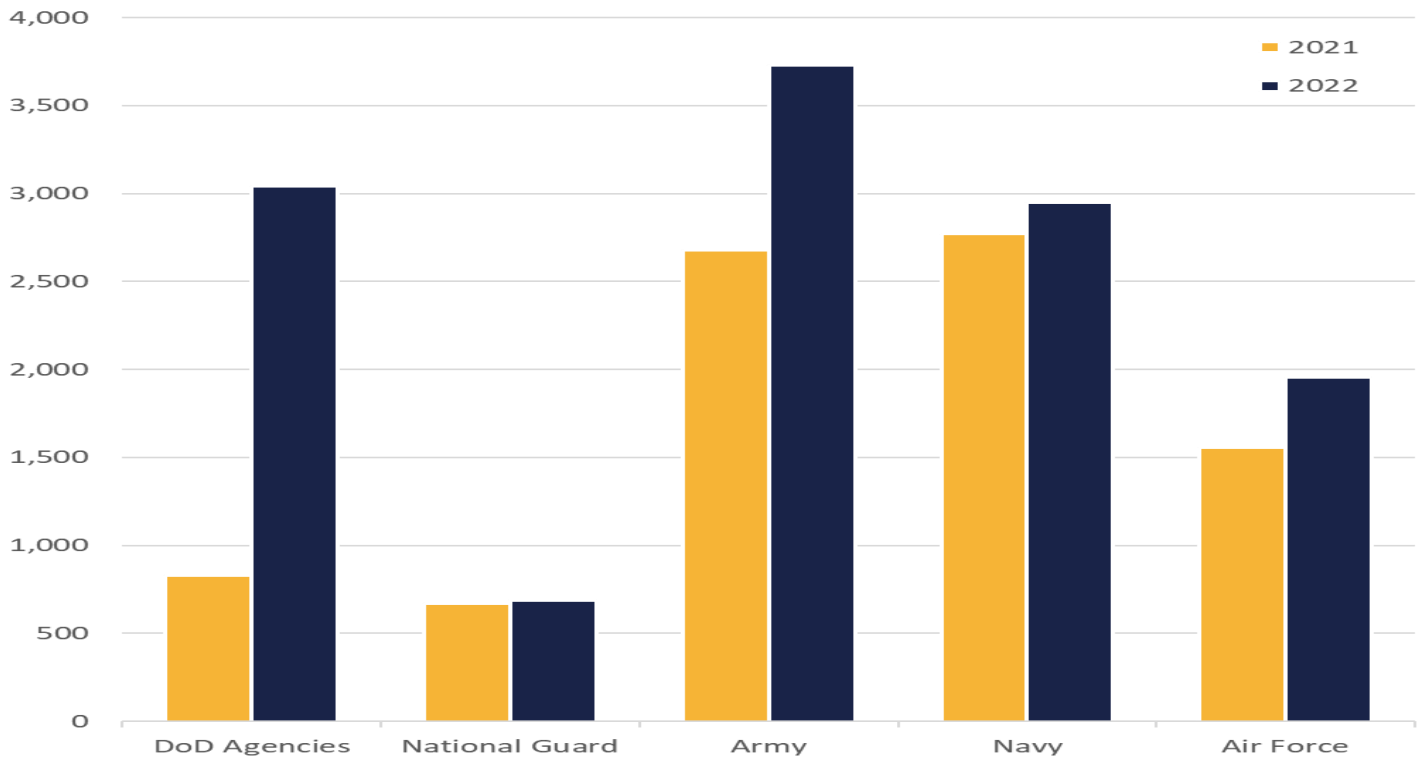
The ICUC Branch took a number of steps to continue to support the identification of FERS Offset and to support PEER goals and targets. Management Advisors reviewed **4,270 FECA case files in 2022 (a 6.8 percent increase from 2021)**. Of the cases reviewed by Advisors, **1,275 were reviewed to support actions related to PEER targets**. The breakdown in the actions initiated by the Advisors is illustrated below. Follow-up actions were adversely impacted by a staffing shortage.



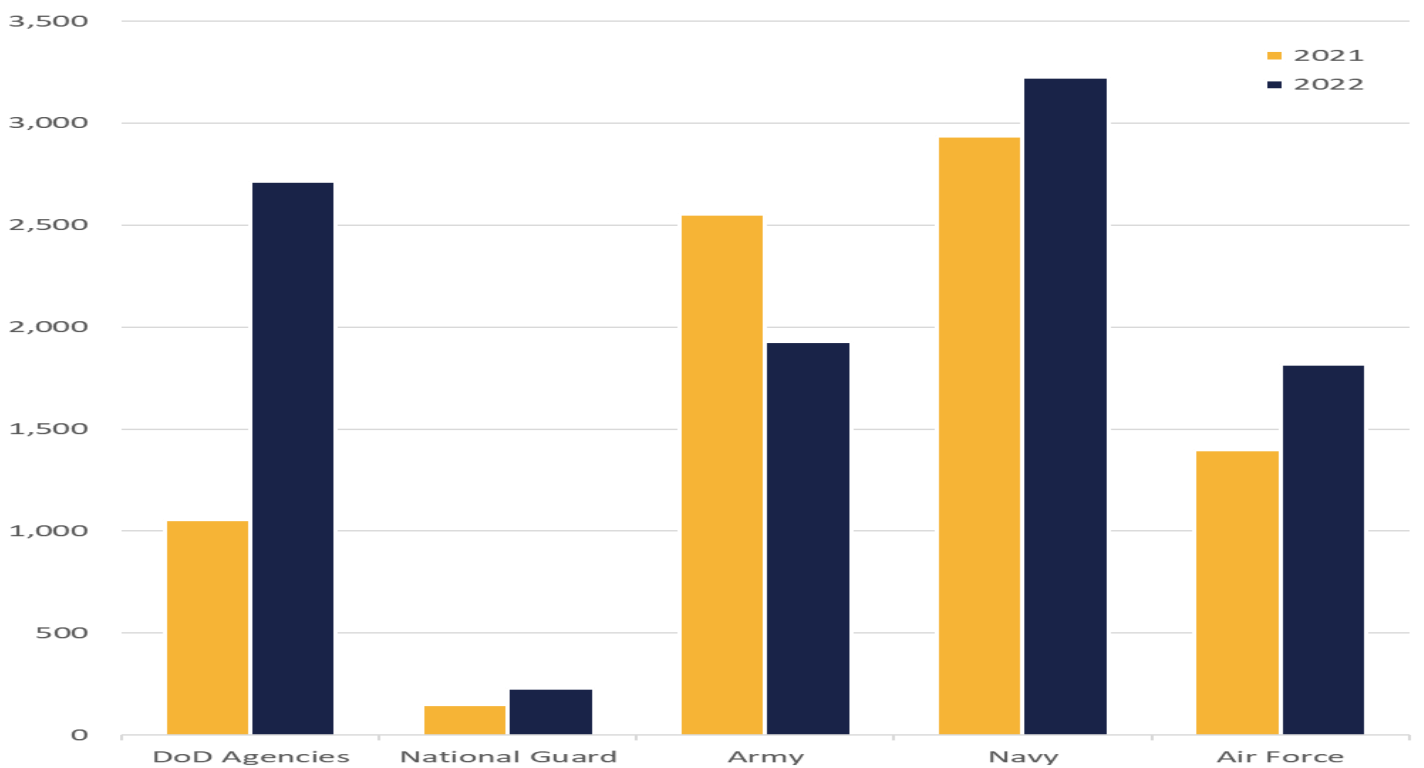


# Total CA-1/2/7 Claims Submitted by Component Year Over Year

## CA-1/2 Claims

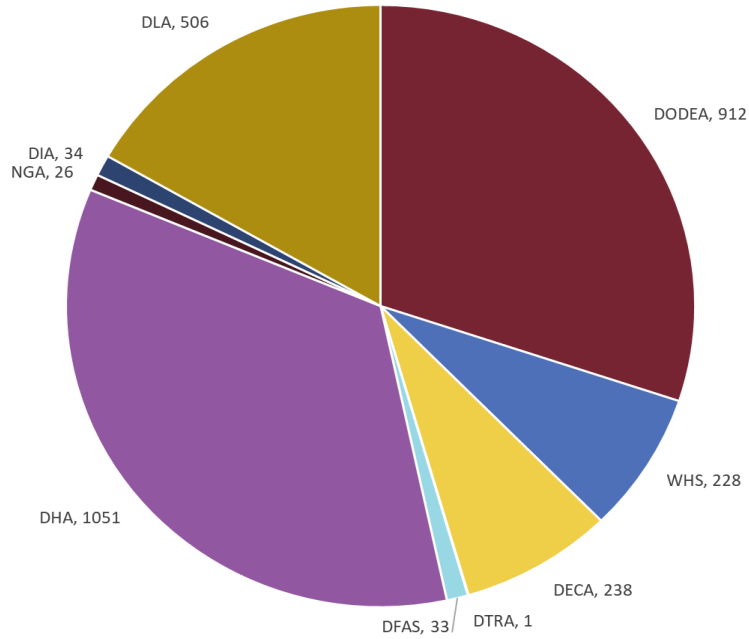


## CA-7 Claims

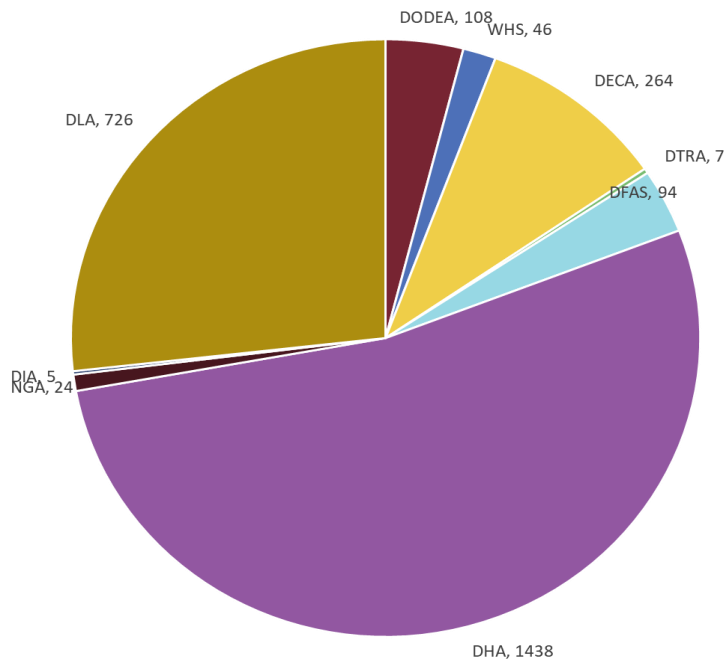


# 2022 Total CA-1/2/7 Claims Submitted by DoD Agency

## 2022 Total CA-1/2 Claims Submitted by DoD Agency



## 2022 Total CA-7 Claims Submitted by DoD Agency



## Workload Challenges

CY 2022 proved to be an incredibly challenging year. Retirements and transfers resulted in 30 percent of Advisor staff positions being vacant for over a third of 2022. This, in turn, impacted the support that was provided in 2022.

2022 was the first year the full training program was implemented for ICPAs. The training sessions included classes for ICPA Level I, II, and III credentialing; Level I and II study sessions; and single topic training. This took a considerable number of man-hours to accomplish.

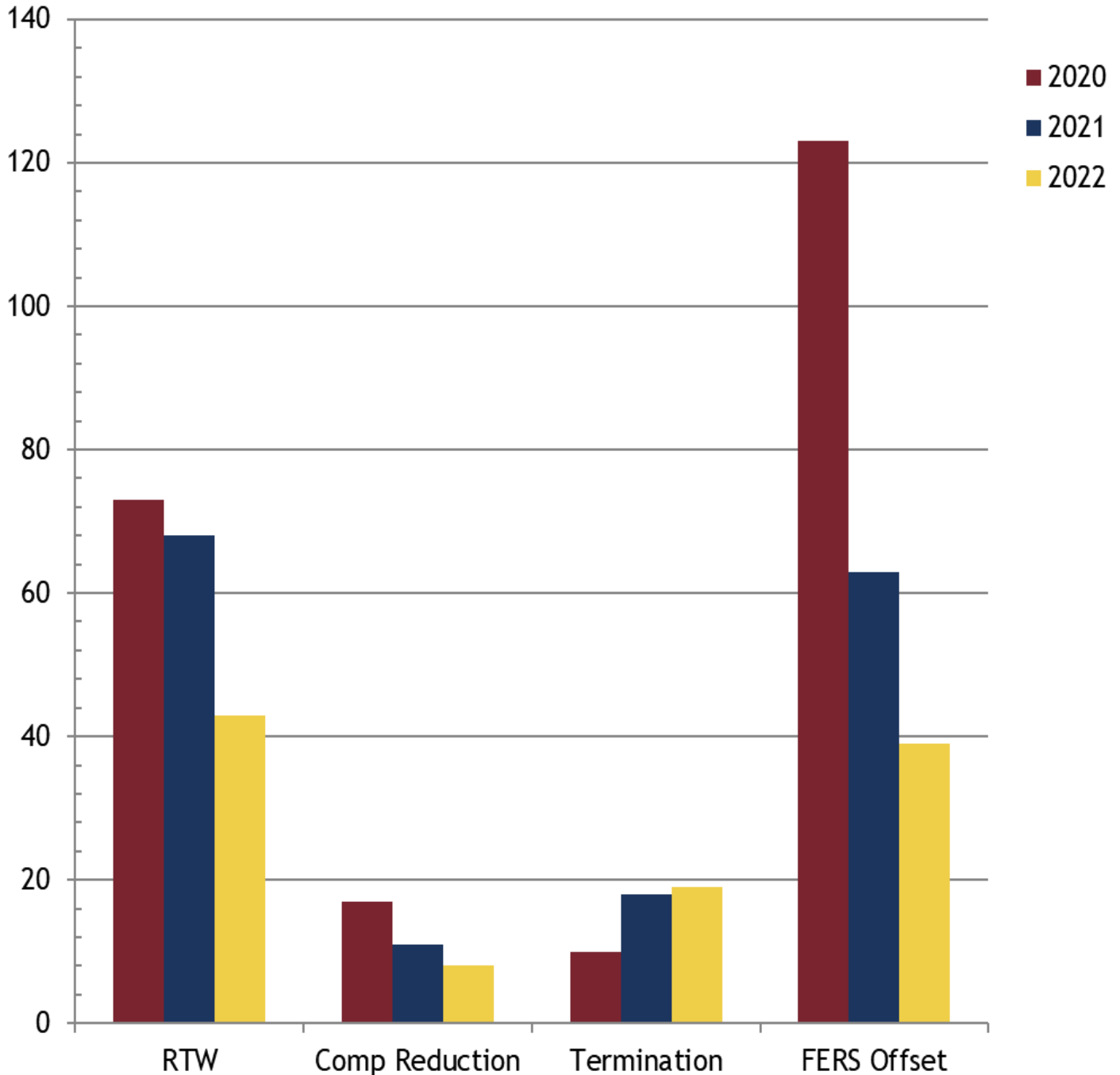
- ICPA Level I - 104 ICPAs attended the Level I training. This includes a class added to assist Navy in addressing a DoDIG Audit deficiency.
- ICPA Level II - 17 ICPAs attended Level II training.
- ICPA Level III - 11 individuals attended.
- Level I and Level II study sessions: 64 ICPAs attended.
- Single Topic Training session: 118 ICPAs attended.

Continued support for PEER was a priority in 2022, as well to ensure the Department met its goals. Advisors reviewed PEER cases, as well as providing advice and guidance on returning employees to work.

The reality, however, was that ICUC was limited in what it could accomplish with such a manning deficit. The numbers reflect loss of manning. It is anticipated that ICUC's ability to provide support will increase in 2023 to what has been seen historically, as vacant positions have been filled.

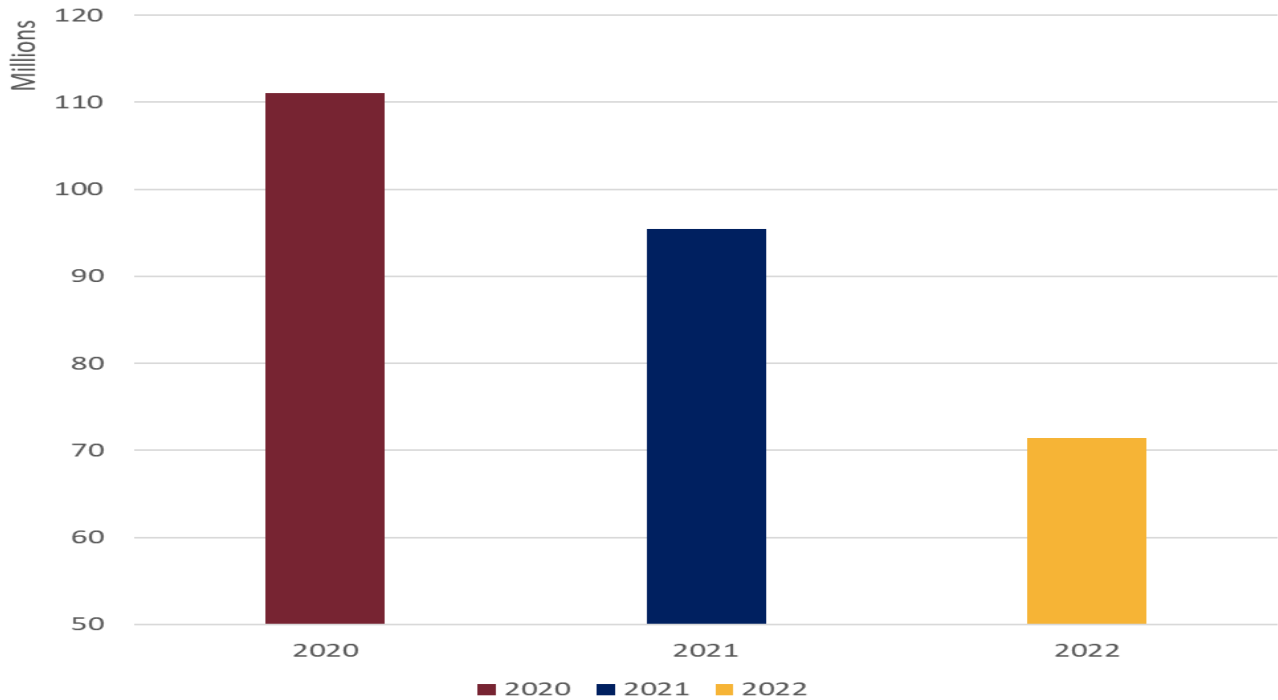
## Number of Claims with Savings

A number of factors affected savings for 2022. Pipeline Support Agreements were only in place for one DoD agency (DLA). The opportunity to RTW using Pipeline was significantly reduced. This resulted in fewer employees returned-to-work. Additionally, the emphasis on returning employees to work during the Continuation of Pay (COP) period reduced the number of employees reaching the Periodic Roll (PR).

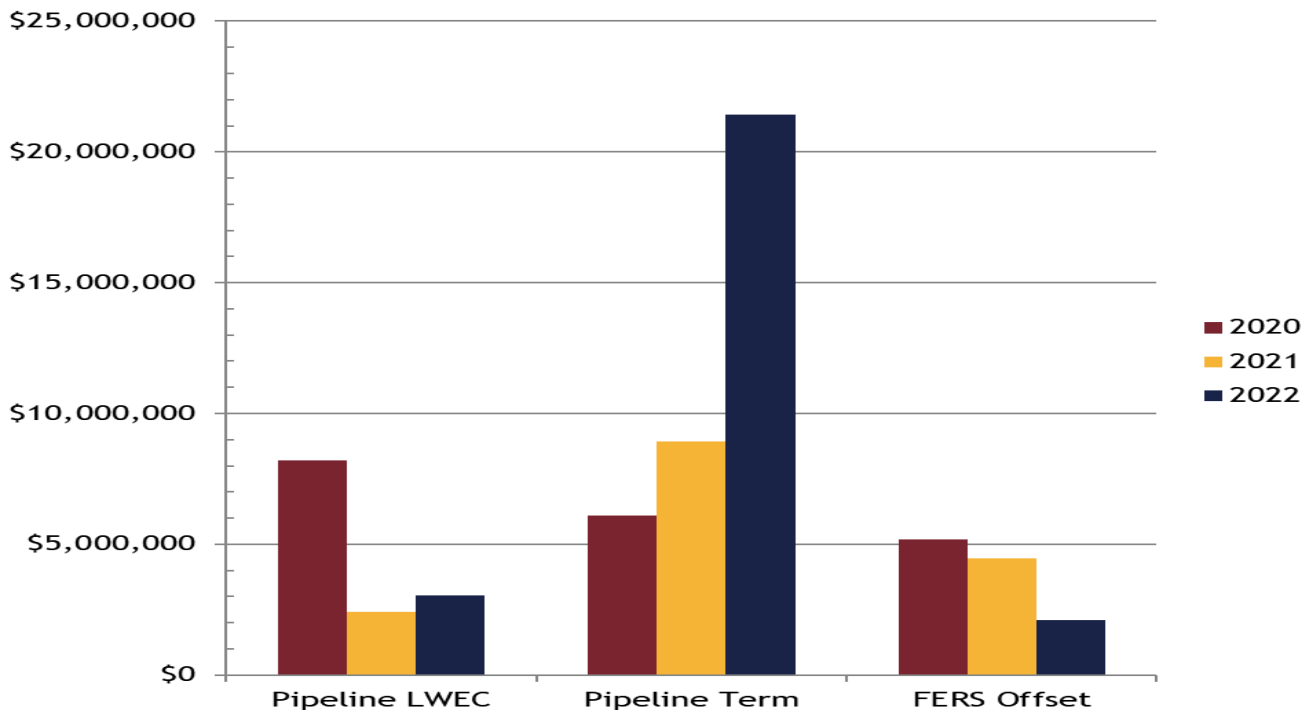


## Projected Lifetime Cost Avoidance

The projected FECA cost avoidance over the life of the claim (calculated from the effective date to age 75) from employees returning to work is shown below. The inability to get Pipeline support agreements in place, as well as reduced ICUC Advisor manning for part of 2022, has reduced the projected savings since the number of employees returned to work was reduced.



The projected FECA cost avoidance over the life of the claim (to age 75) from compensation being reduced due to FERS Offset is dropping off due to the continued emphasis on FERS Offset.

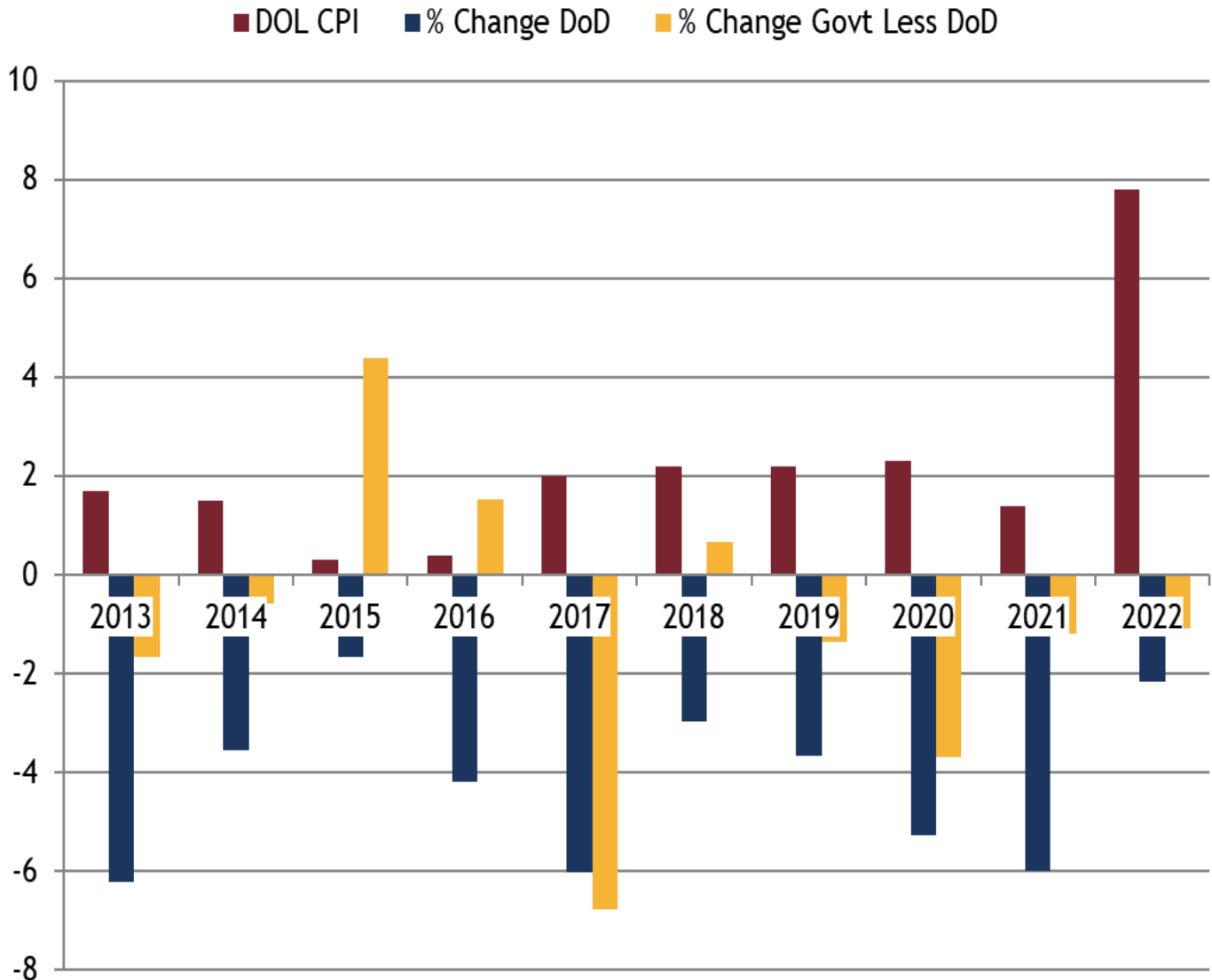


## Department FECA Costs Over Last 10 Years

The chart below shows the change in DoD costs, All Government less DoD and the FECA Consumer Price Index (CPI) increase over the last 10 years. Any increase lower than the FECA CPI indicates a slower rate of growth.

DoD FECA costs have decreased for *10 of the last 10 years* whereas the All Government Less DoD increased for three of the last ten years. COVID-19 played a large role in reduction in costs for latter part of 2020 and all of 2021.

As a result, DoD's overall share of the total Government FECA cost has decreased over the last 10 years.



## Overall DoD FECA Costs 2022 vs 2021

	Costs for period July 1, 2021 through June 30, 2022			
Employing Agency	Medical	Compensation	FECA Death	Total
	Costs	Costs	Benefits	Costs
Department of the Navy	28,412,886	106,792,558	12,146,914	147,352,358
% Change from CB 21	-14.29	-2.33	-10.28	-5.56
Department of the Army	31,159,336	83,162,490	8,929,333	123,251,159
% Change from CB 21	+3.38	+0.10	-3.27	+0.66
Department of the Air Force	19,947,318	61,922,055	5,208,110	87,077,483
% Change from CB 21	-5.34	+0.31	-6.27	-1.45
DoD Agencies	8,365,124	35,823,855	2,940,933	47,179,912
% Change from CB 21	-12.58	+3.59	+4.35	+0.34
All DoD				
% Change from CB 21	-6.44	-0.36	-6.16	-2.18
All Government				2,539,919,822
% Change from CB 21				-1.24
All Government less DoD				2,134,663,671
% Change from CB 21				-1.07

Overall costs for all Components decreased from 2021 levels. The primary driver for total cost reduction this year was medical cost reduction. Medical cost reduction accounted for 67 percent of the overall cost reduction for the year. The primary driver for compensation cost reduction was the Navy's reduction in their compensation cost. That reduction was enough to overcome the compensation cost increase experienced by the Army and Air Force. Any reduction in costs was welcome given the rise in claims filed, as well as the 7.8 percent CPI that increased compensation costs for 2022. The levels seen in 2021 were greatly impacted by the pandemic, so any reduction in costs in 2022 was a welcome result.

## Cost Performance 2022 vs 2021

In looking at the data for 2022 compared to 2021, it can be seen that the overall Projected Lifetime Cost Avoidance decreased due to a number of factors. The limited number of Agencies that can utilize Pipeline funding for 2022, and the reduction in Advisor manning due to the delay in filling vacancies, had the greatest impact.

A savings ratio was developed that compares the 12 month cost of salary and benefits for ICUC personnel to the 12 month savings for claims in which a savings occurred in 2022. This allows a more accurate comparison between the 12 month labor cost and the 12 month savings as a result of the labor in 2022.

***The ratio shows that for every \$1.00 spent for ICUC personnel in 2021, the Department received \$1.39 in FECA costs savings. Over the period 2020-2022, the return was \$1.74 saved for every \$1.00 in salary.***



## UC Program 2022 Accomplishments and Impacts

The UC Team provided a variety of training sessions for DoD and Federal Agencies during 2022. UC training included the Unemployment Basics Course, DIUCS training, and customized training for those Agencies with high attrition rates due to deployments. These various courses offered by the UC Team enabled our Components to become educated on their responsibilities for the management of the Unemployment Compensation Federal Employees Program (UCFE).

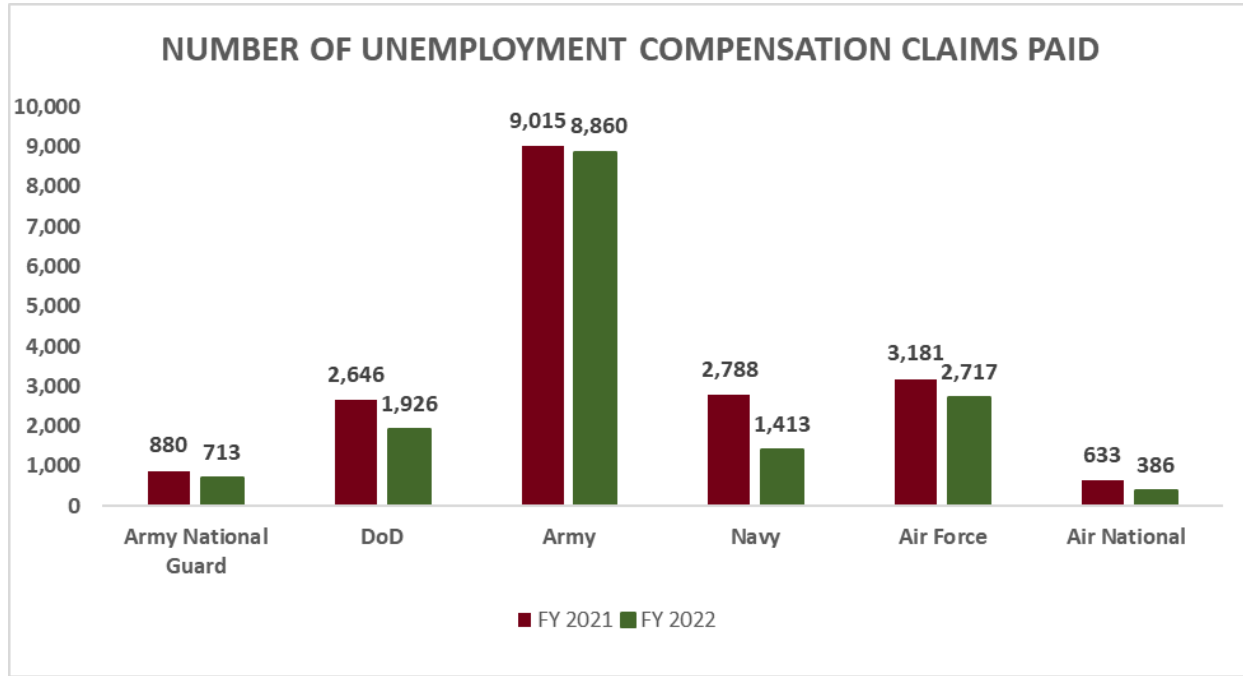
The UC Team regularly scheduled and customized DIUCS training on how to submit form ETA-931 electronically vice manually which significantly reduced our unemployment compensation costs for this year. DoD UC Program Managers were able to retrieve significant reports in a timely manner to assist in briefing leadership on actual program costs, savings, and also enabled the Department of Army to forecast Program Objective Memorandum (POM) for FY23.

The UC Team listened to our customers needs at the 2022 Benefits and Work-Life Symposium asking for an increase in training at all levels. Our concerted efforts as a team resulted in our disputing of invalid claims and incorrect charges for DoD.

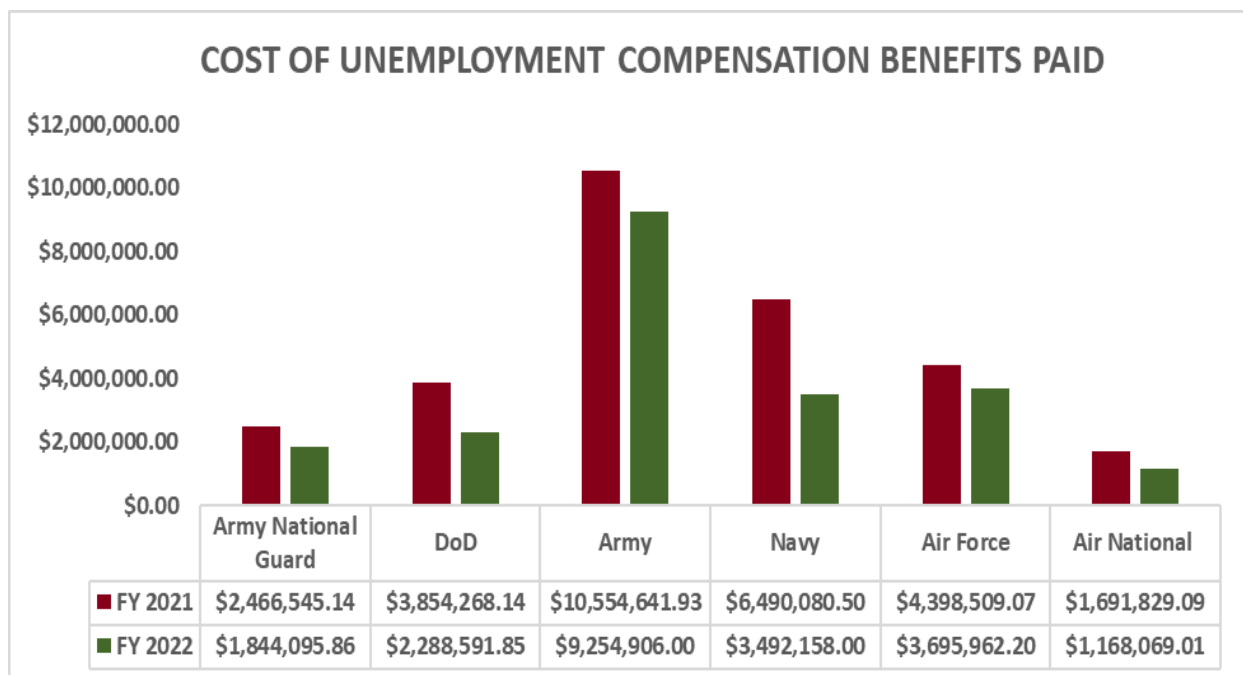
***These actions resulted in the Unemployment Compensation Branch having received over \$2.6 million in credits due to our efforts.***

## UC Program 2022 Metrics

DCPAS has the responsibility of managing the UC Program. The chart below shows the number of UC claims paid within DoD that were entered into DIUCS for FY 2021 and 2022.



The following chart illustrates the total cost of UC benefits paid by each DoD Component for FY 2021 and FY 2022. These figures were obtained from the quarterly DOL invoices for the applicable fiscal years.





**BENEFITS • WAGE • NAF Policy**  
Our Service Sustains Your Service

# Wage and Salary Programs

# Wage and Salary Division 2022 Year in Review

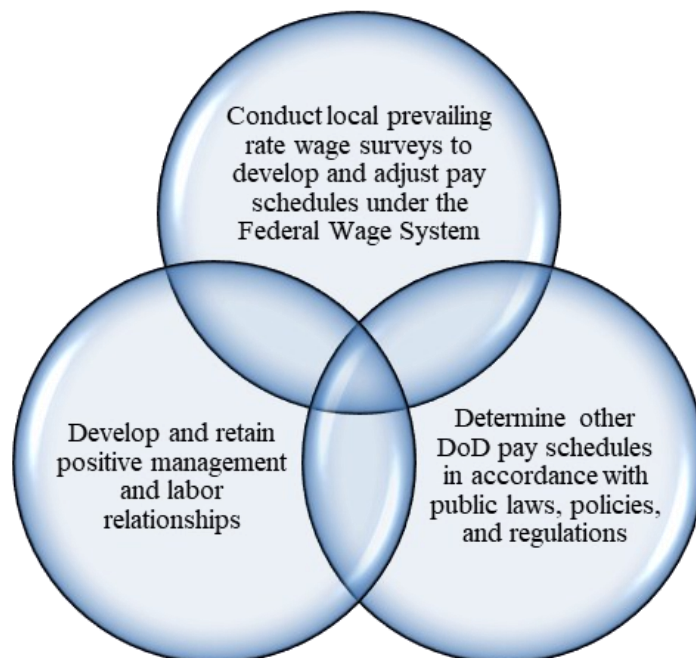
## Program Synopsis:

The Wage and Salary Division (Wage) is the Department of Defense (DoD) leader in the administration of the Federal Wage System (FWS) with oversight from OPM. The FWS guarantees 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 blue-collar Federal trade, craft, and laborer employees paid from appropriated funds (AF) and nonappropriated funds (NAF). Wage and Salary continues to strive for innovation and fiscal responsibility in the survey process to strengthen mission readiness and support the war fighter.

## Goals:

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

## Missions:



## Wage 2022 Accomplishments and Impacts

### Scope of Operations:

- Wage and Salary conducts FWS surveys annually and establishes pay schedules for blue-collar employees Government-wide. Surveys are conducted on a two-year cycle, alternating between an in-person site visit (full-scale survey) and an interim phone survey (wage change survey). The law (Public Law 92-392) mandates the determination of pay schedules within 45 working days from the survey order date.
  - ◊ Processed 130 AF and 118 NAF FWS wage surveys and issued 1,650 FWS wage schedules on time.
  - ◊ Issued 732 Special Salary Rate (SSR) schedules including DoD Dependents Schools (DoDDS) Overseas Educators & Principals, Uniformed Services University of the Health Sciences (USUHS) faculty, Defense Language Institute (DLI) faculty, as well as schedules for various DoD medical occupations.
- Employees impacted across the Federal workforce:
  - ◊ 174,500 AF FWS employees including all Federal wage grade employment (DoD and non-DoD) and represents over \$12B in payroll;
  - ◊ 158,807 employees covered by SSR schedules;
  - ◊ 62,000 NAF FWS employees;
  - ◊ 43,000 NAF pay band employees; and
  - ◊ 32,000 NAF overseas employees.

### Promoting a \$15 per Hour Minimum Wage for Federal Employees

- President Biden issued Executive Order 14003 on January 22, 2021, which directs the Director of the OPM to provide a report to the President with recommendations to promote a \$15 per hour minimum wage for Federal employees.
- OPM Compensation Policy Memorandum (CPM) 2022-02, dated January 21, 2022, provided implementation guidance for adjusting General Schedule (GS) and FWS employees stationed in the United States (including its territories and possessions) to at least \$15 per hour.
  - ◊ This special rate policy for FWS wage levels will become effective for all FWS wage schedules on the first day of the first applicable pay period beginning on or after January 30, 2022.
  - ◊ OPM determined that FWS rates of basic pay less than \$15 per hour are creating or are likely to create significant recruitment and/or retention problems, supporting the creation of special wage rates.
  - ◊ As the lead Agency for AF and NAF FWS employees, OPM authorized administration of DoD's special wage schedules on January 27, 2022. This includes the floating plant and hopper dredge schedules and positions "set-aside" from the FWS and documented in Appendix V of the OPM Operating Manual, FWS.

## Wage 2022 Accomplishments and Impacts (cont.)

- ◇ NAF Policy extended the guidance to include NAF pay band employees effective to pay periods on or after January 30, 2022.
- Wage and Salary established and issued \$15 minimum wage special rate schedules:
  - ◇ 186 AF special pay schedules;
  - ◇ 141 NAF CT schedules;
  - ◇ Adjusted 126 NAF pay band schedules; and
  - ◇ Reviewed several existing SSRs for applicability.
- Data shows that the current impacts are: 6,483 FWS employees, 50,000 NAF employees, and 3,783 employees from various administratively Determined pay systems.
- Due to administrative rules on the new schedules, several schedules showed some level of inversion. The term ‘inversion’ defines instances where leaving the special \$15 minimum rate schedule results in a lower rate at the next highest grade level when returning to the applicable regular FWS schedule.
  - ◇ OPM approved the request on October 20, 2022, and the correction process began, with updated schedules rolling out at the end of the year.

### Wage and Salary’s 50th Anniversary:

- Wage commemorated 50 years of the FWS on August 18th, 2022, honoring Public Law 92-392 and the Federal prevailing rate history.
  - ◇ 1860s - Established local prevailing rate pay for Federal blue-collar workers. Workers in the same city and grade could receive different rates of pay.
  - ◇ 1965 - Presidential memo created the Coordinated FWS to eliminate inequities and unnecessary overlapping administrative structures.
  - ◇ 1972 - Public Law 92-392 established FWS to cover Federal trade, craft, and laborer positions paid from AF and NAF
  - ◇ 1975 -1980 - Various U.S. Government Accountability Office studies defined need for process standards, and established the criticality of the need for professional data collectors.
  - ◇ 1979 - First pay limitations applied to FWS schedules
  - ◇ 2004 - Consolidated Appropriations Act set pay limitations with floor and cap provisions
- August 18-19, 2022, Wage and Salary hosted a two-day commemoration event where current and former employees gathered to take part in various team-building activities and events, training, guest speakers, and received a demo of the Wage Modernization System, bowling, and participated in a picnic at Joint Base Anacostia-Bolling in Washington, DC.

## Wage 2022 Accomplishments and Impacts (cont.)

### COVID-19 Impacts:

- Wage and Salary followed DoD travel guidance and weekly installation status updates to conduct in-person surveys as requested by Local Wage Survey Committees (LWSC).
  - ◊ From January - March 2022, six of the seven AF and NAF teams could not travel due to the Pentagon's travel restrictions. These surveys were conducted remotely with LWSC assistance to collect data in-person using local teams.
- Installation travel restrictions affected eight AF and 20 NAF wage full scale surveys in 2022.

### Federal Advisory Committee Act (FACA) Compliance:

- The DoD Wage Committee (DoDWC) continues to meet FACA compliance for the bi-weekly, closed-door meetings.
  - ◊ The Secretary of Defense appoints the membership of the chairperson, two management members, and two labor members.
  - ◊ On July 5, 2022, DoDWC's first set of new membership appointments were approved by the Secretary of Defense and were found to be compliant with Federal and DoD advisory committee member appointment policies. Annual renewals were approved on July 26, 2022, allowing for a continuance of membership of the other three members.
- Quarterly Federal Register Notices (FRN) publish the DoDWC schedules and agendas to include the survey schedule, analysis approval dates, and survey specifications.
- The charter is reviewed every two years with the current DoDWC charter issued on December 7, 2022.
- Additional information on DoDWC and the FRNs are found at our website: <https://wageandsalary.dcpas.osd.mil/BWN/DoDWC/>

### Wage and Salary Website and Newsletter:

- Wage implemented a new email newsletter. The email distribution system is much more reliable and easy tailored to communicate current schedule issuances and major changes to the pay system.
- The website team launched a new function on the Wage and Salary website. Notes will appear with selection of some regular schedules about any overlapping pay with \$15 minimum rate special pay schedules (see "Promoting a \$15 per Hour Minimum Wage for Federal Employees" for additional information).

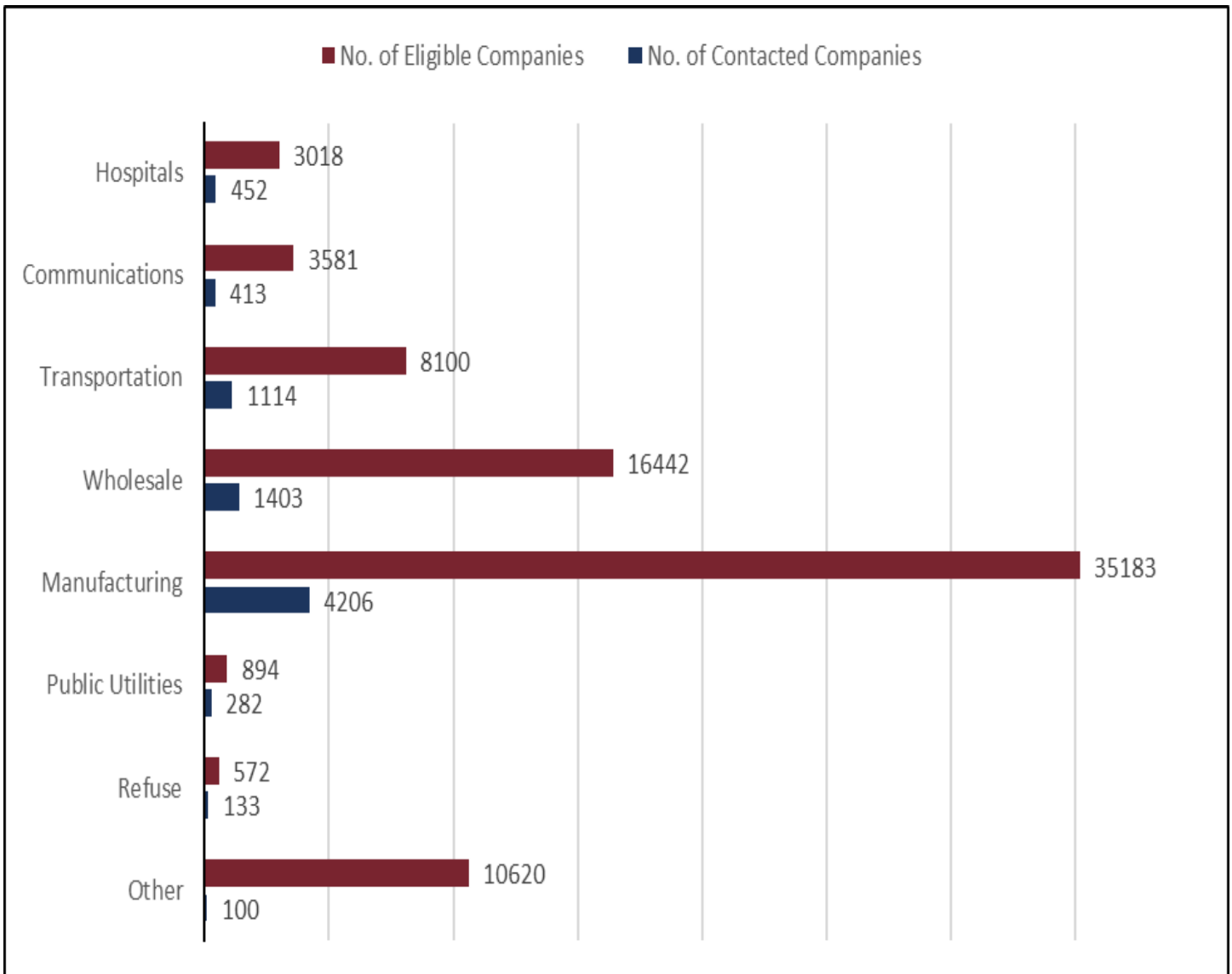




## Wage Survey Industries

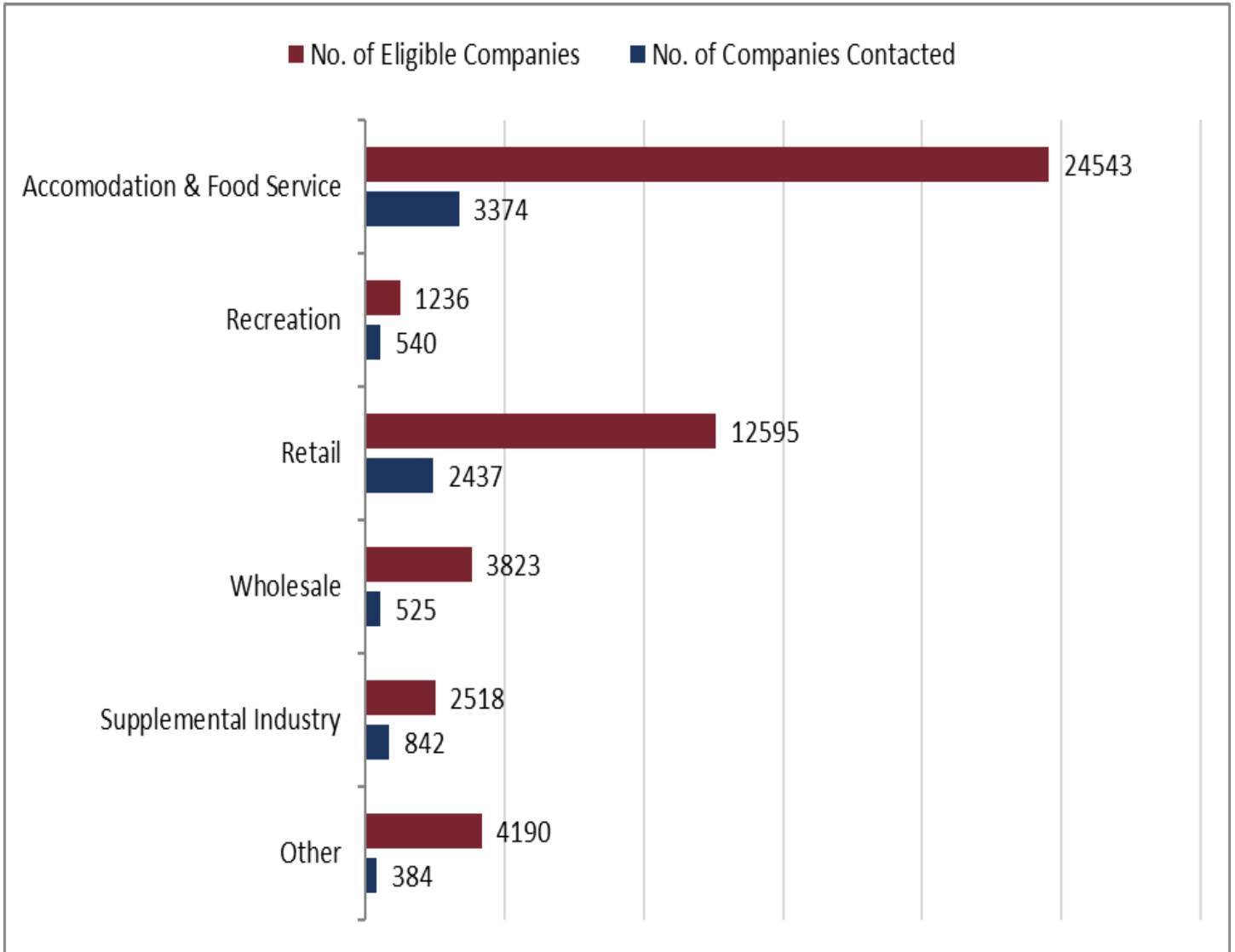
### Survey Industries:

- Average participation rates continue to rebound from 2021's levels of 50 percent, however, are significantly lower from pre-COVID annual averages of 66 percent. Increased telework flexibilities at private-sector companies and limited on-site presence of the Wage and Salary staff continue to be major contributors to the decrease in survey participation. For the salary survey industry, however, participation rates frequently average less than 10 percent.
- Eligible companies are determined by the OPM Operating Manuals for AF and NAF, the North American Industry Classification System (NAICS) and area survey specifications.
- AF had roughly 78,400 eligible companies in the survey areas and planned to sample 10.3 percent of the companies. The AF industry company breakout is:



## Wage Survey Industries (cont.)

- NAF had almost 49,000 eligible companies to survey and sampled 16.6 percent of the companies. The NAF industry company breakout is:



## Wage Data Collection

### Data Collection:

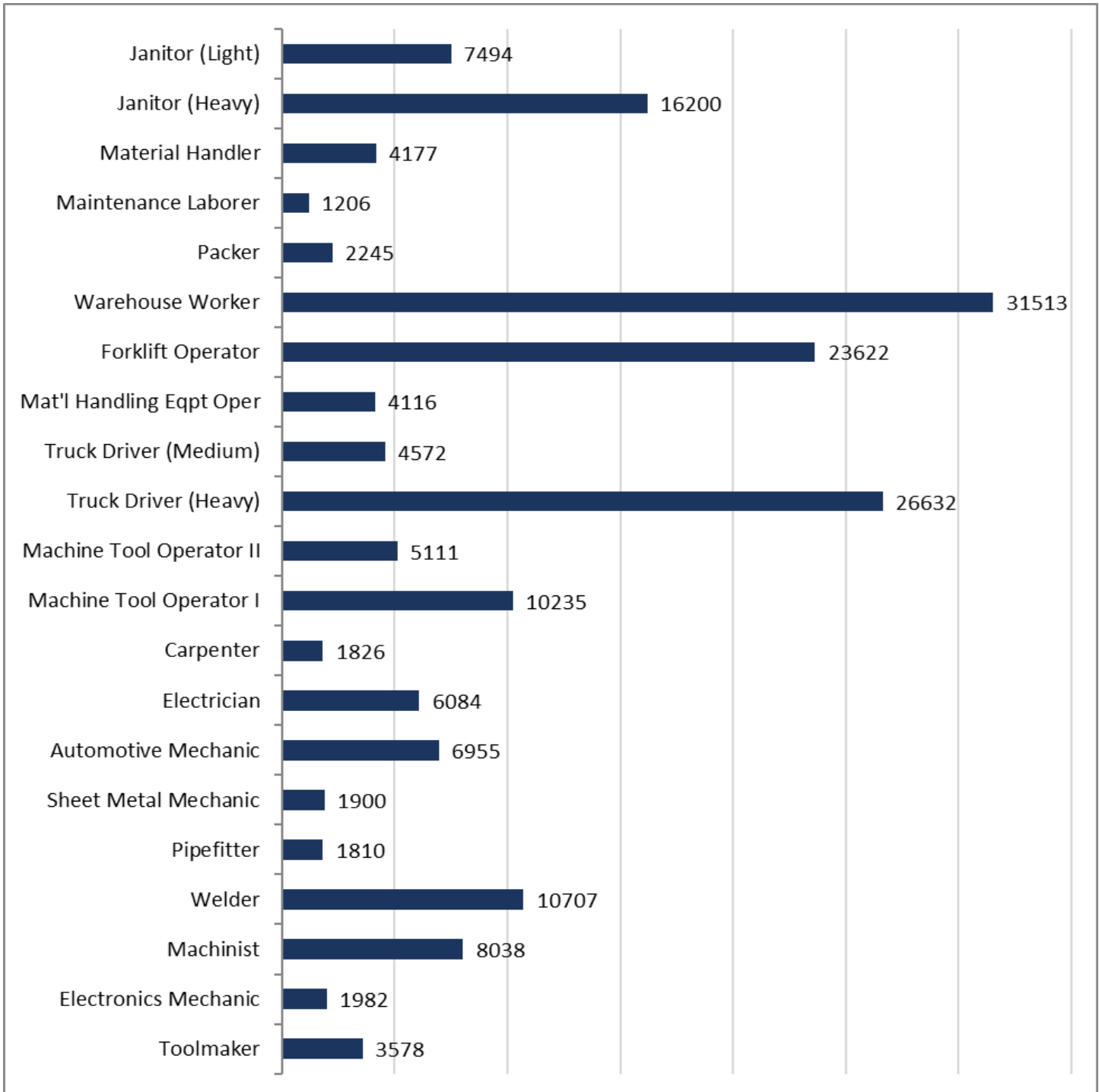
- Data collection for any given survey is less than a month’s time (averaging two weeks), considered a very quick turnaround time for the industry.
- There are 21 required survey jobs for AF and NAF:

Survey 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	

- Additional survey jobs:
  - ◇ AF has 33 optional survey jobs plus three added jobs for the hospital industry.
  - ◇ NAF has 11 optional survey jobs.

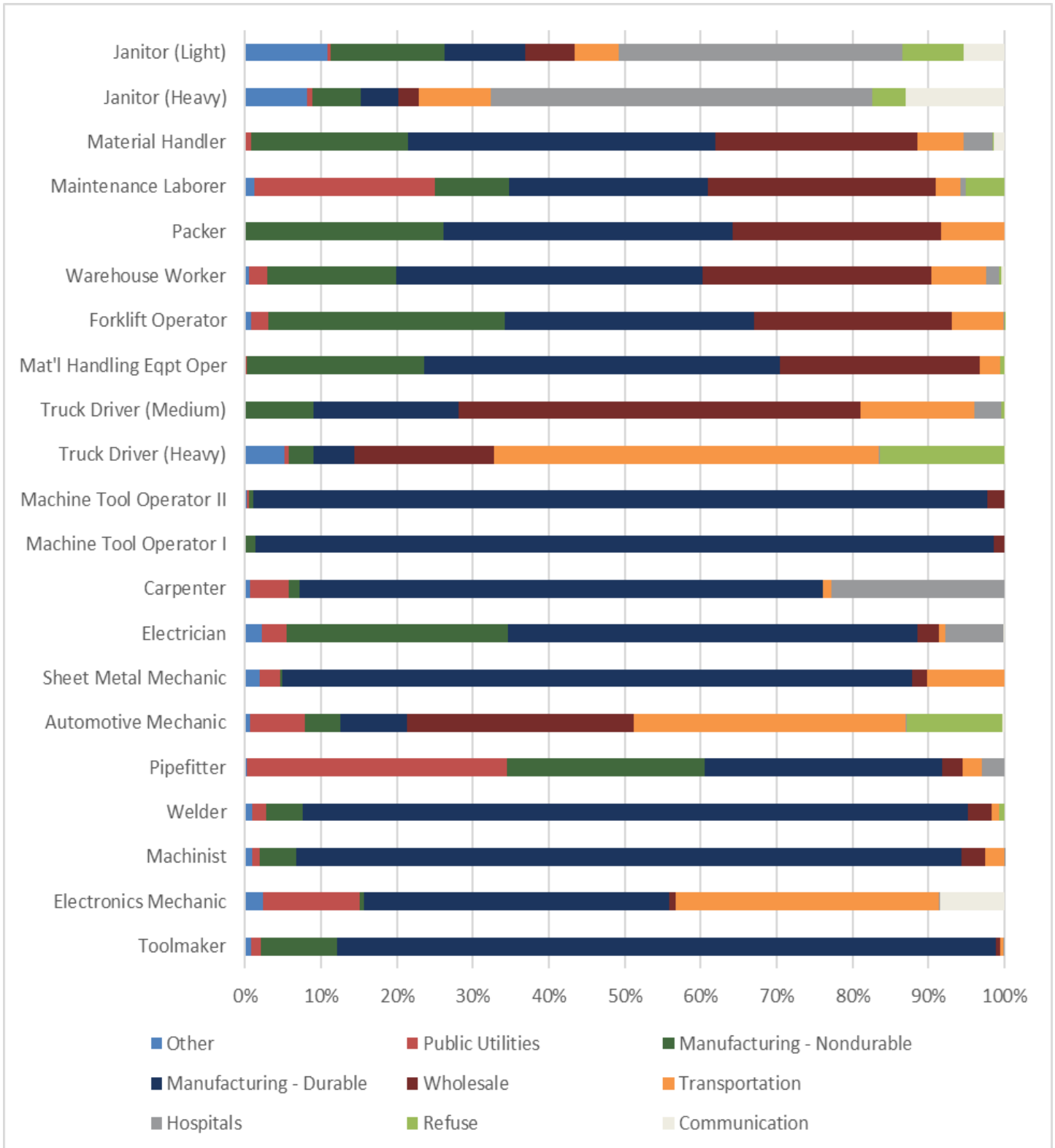
## Wage Data Collection (cont.)

- AF collected over 215,800 weighted samples from participants.
  - ◊ Number of weighted AF samples collected in full-scale surveys for the required survey jobs:



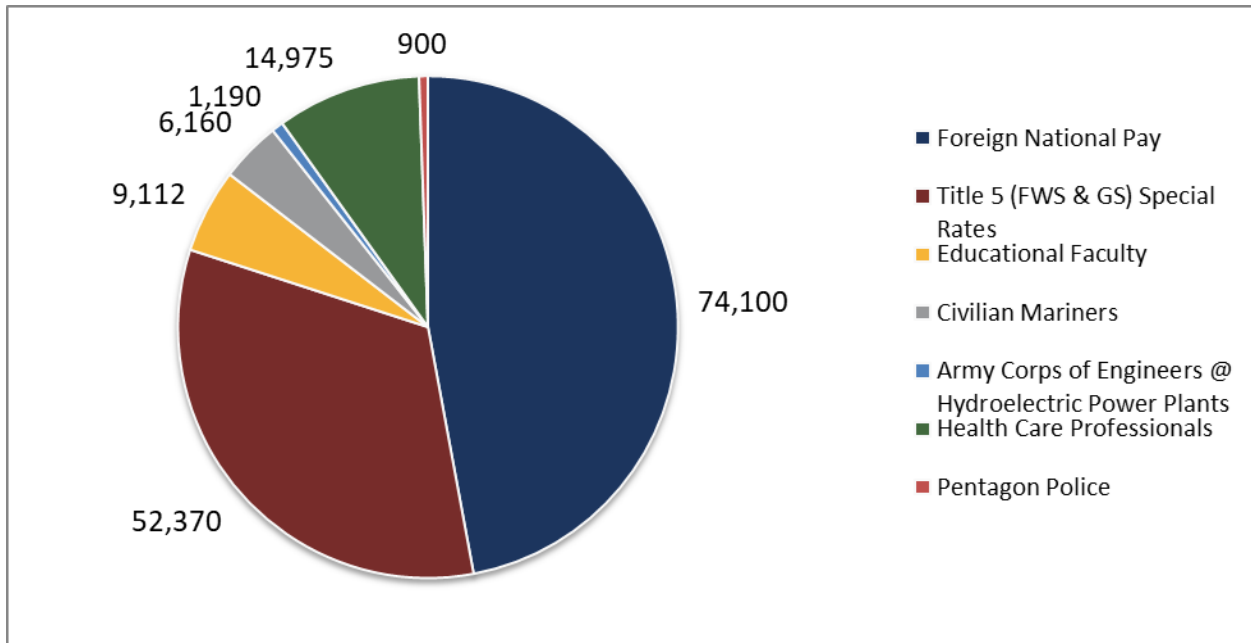
## Wage Data Collection (cont.)

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



## Wage Special Pay Programs

- Wage and Salary 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/GS special rates programs.
- COVID-19 affected the data used by the Special Pay program. The impact varied for each schedule.
- Civilian Employees Covered by SSRs:



<u>Pay Plan</u>	<u>Number of Em- ployees</u>	<u>Number of Schedules</u>
Corps of Engineers Power Plant	1,190	5
Defense Language Institute Foreign Language Center	1,600	20
Floating Plant	885	90
Foreign National Pay	74,100	48
Hopper Dredge	172	4
Lock & Dam	1,603	69
Military Sealift Command	3,500	8
Overseas DoDEA Educators	7,212	16
Pentagon Police	900	1
Physicians and Dentists Pay Plan	2,505	1
Title 38 (Medical) Special Salary Rates	12,470	285
Title 5 (FWS & GS) Special Rates	52,370	185
Uniformed Services University of the Health Sciences	300	4
<b>Totals:</b>	<b>158,807</b>	<b>732</b>



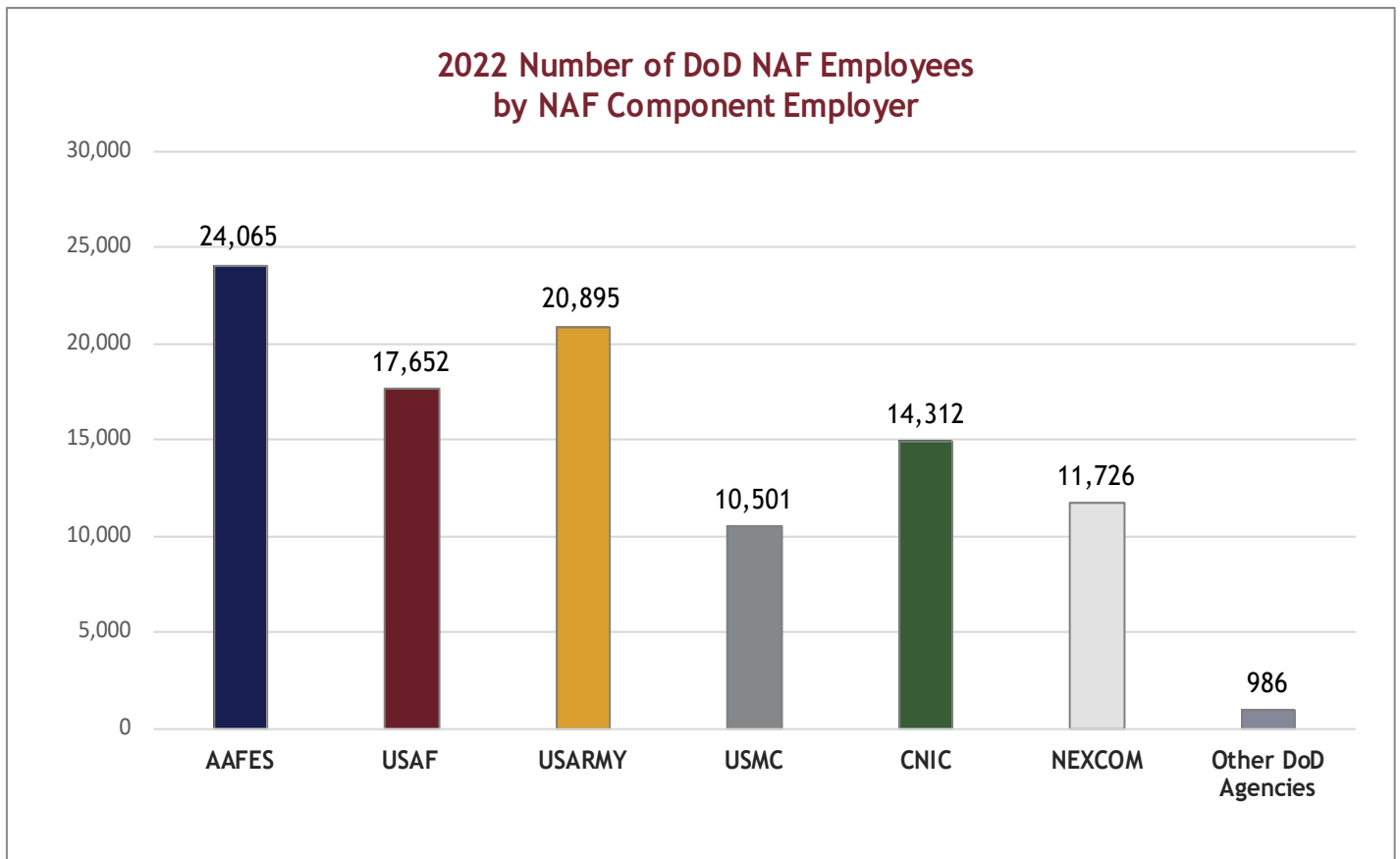
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# NAF Personnel Policy

## Nonappropriated Fund (NAF) Personnel Policy Program

Nonappropriated Fund (NAF) Personnel Policy develops fair, equitable, and streamlined HR policies for the DoD NAF workforce, and ensures NAF HR policies and programs, mandated by law or regulation, are properly applied throughout the Department. NAF Personnel Policy updates, coordinates, and publishes DoD NAF HR policy and procedural handbooks; provides informed NAF HR advice to the Office of the Secretary of Defense (OSD) leadership; administers the DoD-wide NAF Health Benefits Program (HBP) in collaboration with the DoD NAF Components; provides advisory services to the DoD NAF Component employers; and proposes, develops, and coordinates legislation when necessary.

- NAF workforce is comprised of 100,137 employees, including 75 deployed personnel as of November 2022.
- The Army and Air Force Exchange Service (AAFES), the Department of the Air Force (USAF), the Department of the Army (USARMY), the Department of the Navy Components, which consist of: the US Marine Corps (USMC), Commander, Navy Installations Command (CNIC), Navy Exchange Service Command (NEXCOM); and other (smaller) DoD Agencies comprise the DoD NAF enterprise.
- NAF programs support DoD Morale, Welfare, and Recreation programs, exchange resale activities, healthy communities, families, and troop readiness.

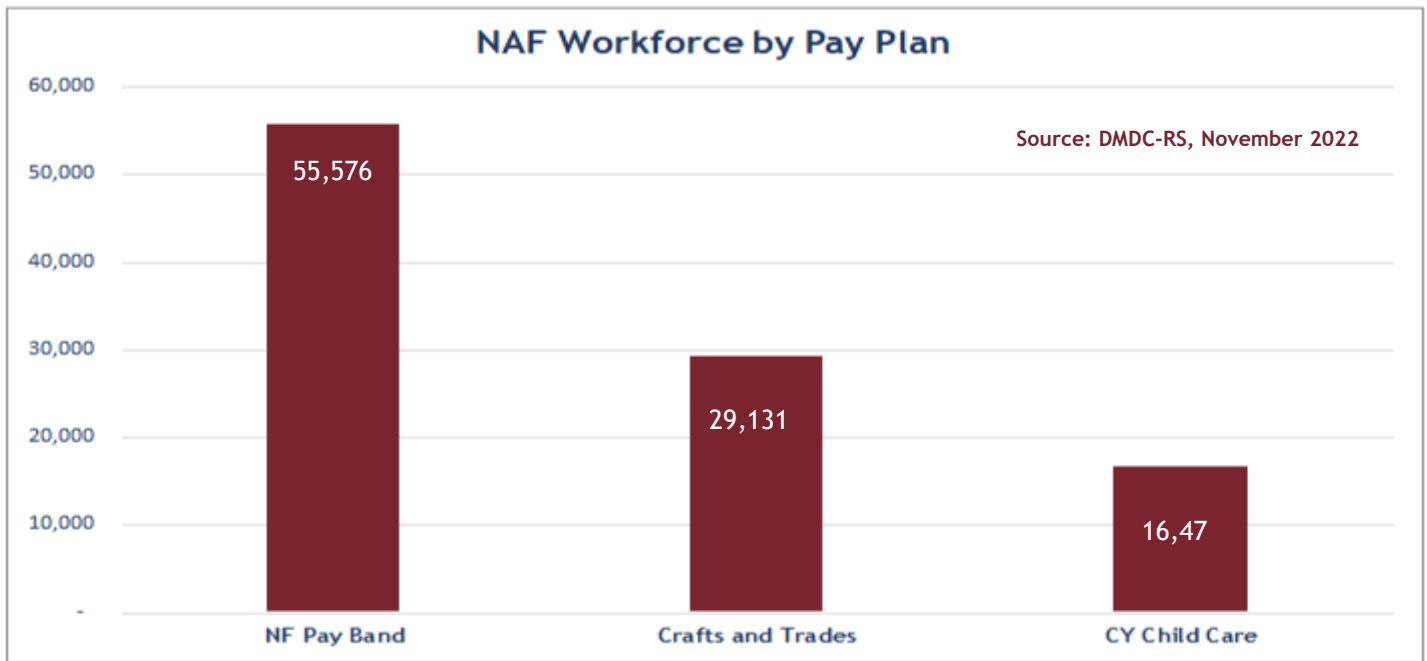


Source: DMDC-RS, November 2022



## NAF Personnel Policy Program Demographics

NAF employees are covered by three pay plans: NAF white-collar, Child and Youth pay bands, and NAF Crafts and Trades. A pay band system covers NAF employees working in white-collar (non-Crafts & Trades) positions. Six pay bands, NF-1 through NF-6 (General Schedule (GS)-1 through Senior Executive Service (SES) equivalent), cover the majority of NAF white-collar jobs. A separate pay band structure, CY-I and CY-II, covers child and youth program caregivers. The majority of NAF employees (53 percent) are white-collar pay band employees.



More than half of the NAF workforce are employed in just ten occupational series that align to the Military Community and Family Support DoD functional community.

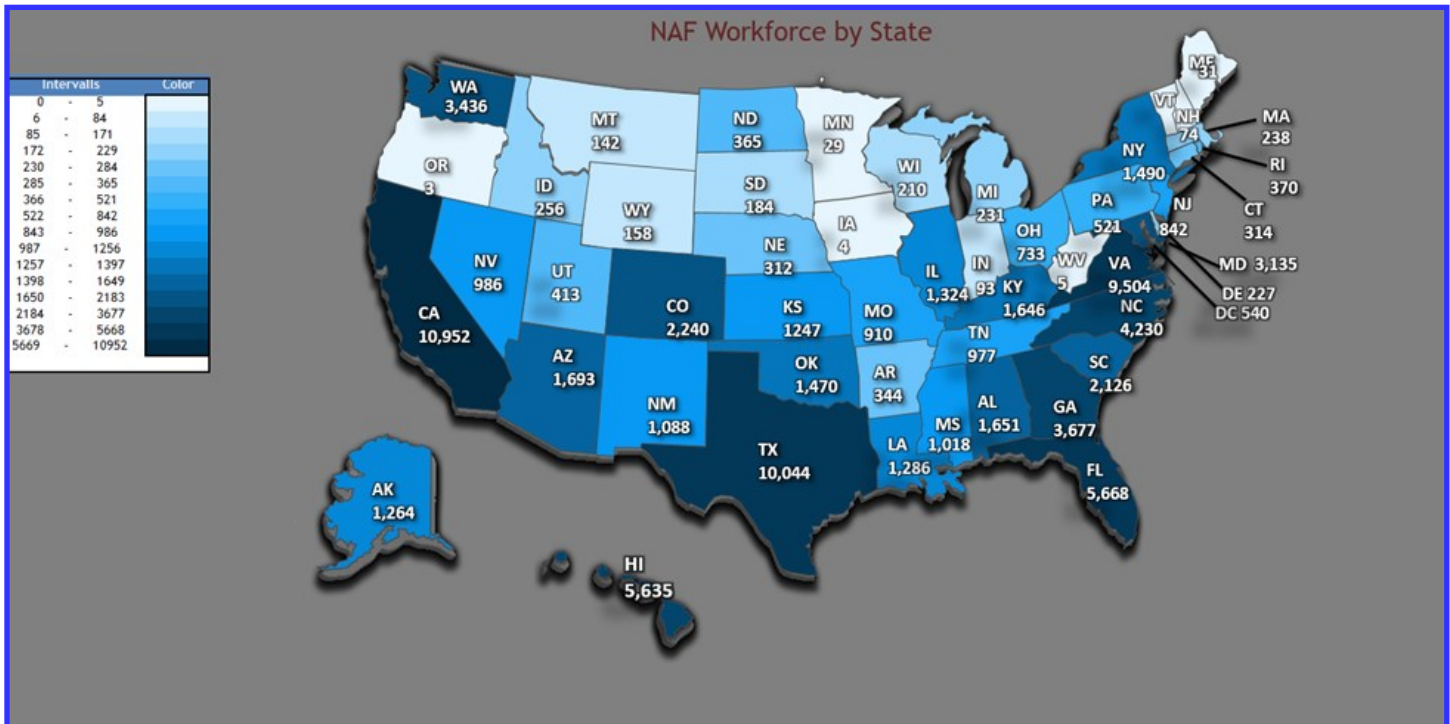
### Top 10 NAF Occupational Series

1702	Education and Training Technician
2091	Sales Store Clerical
0189	Recreation Aid and Assistant
7408	Food Service Working
3566	Custodial Work
1101	General Business and Industry
0303	Administrative Assistant
6907	Materials Handler
7404	Cook
3502	Laborer

Source: DMDC/November 2022

## NAF Personnel Policy Program Demographics (cont.)

85,480 (85 percent) of the NAF workforce have a duty station located within the United States. There are a large concentration of NAF employees in California, Texas, Hawaii, and the southern east coast states of Virginia, North Carolina, Georgia, and Florida. NAF employees work in all U.S. states, except the state of Vermont.



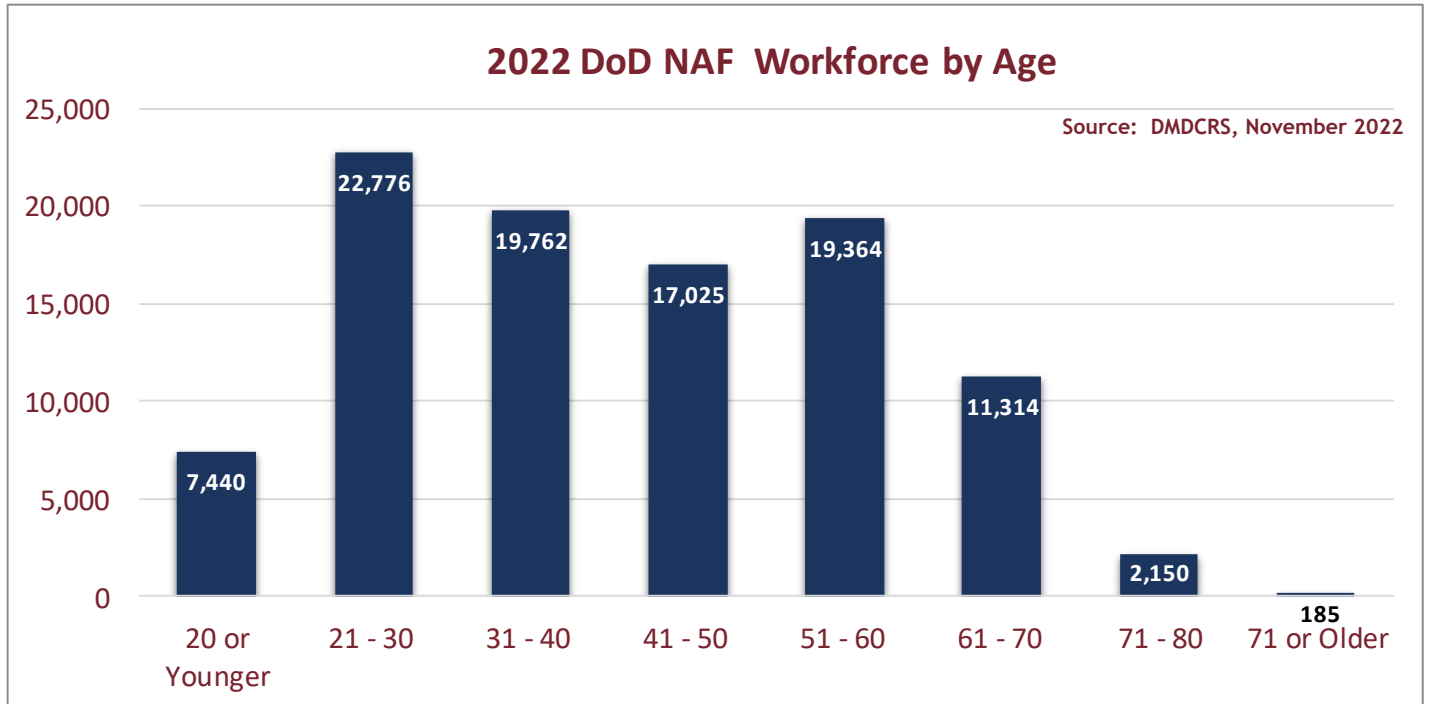
14,657 (15 percent) NAF employees are located in at least 23 countries across the world with a strong presence in South East Asia and Europe. 2,015 employees have an unknown location due to inaccurate coding. The NAF employers are working to rectify the coding error.

Country	Employees
Germany	4,399
Japan	3,880
Guam	1,071
Italy	805
Korea (South)	617
United Kingdom	591
Puerto Rico	489
Northern Mariana Islands	205
Belgium	146
Spain	125
Bahrain	79
Netherlands	56

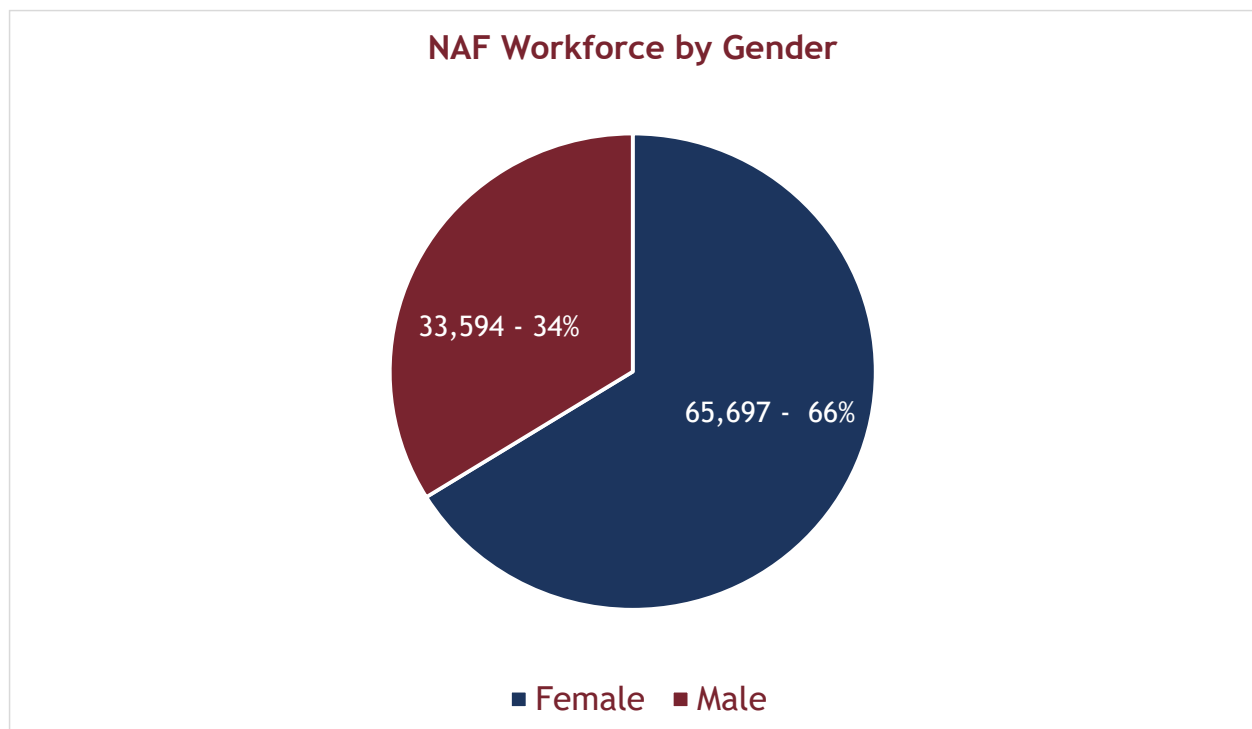
Country	Employees
Cuba	50
Saudi Arabia	36
Singapore	24
Kuwait	21
Greenland	19
Greece	17
Djibouti	5
Poland	2
Romania	2
Turkey	2
Honduras	1
Country Unknown	2,015

## NAF Personnel Policy Program Demographics (cont.)

NAF employers have an age-diverse workforce that skews older. 34 percent of NAF employees are 55 years old or older, and 12 percent of the NAF workforce are at the minimum retirement age of 62 or older.



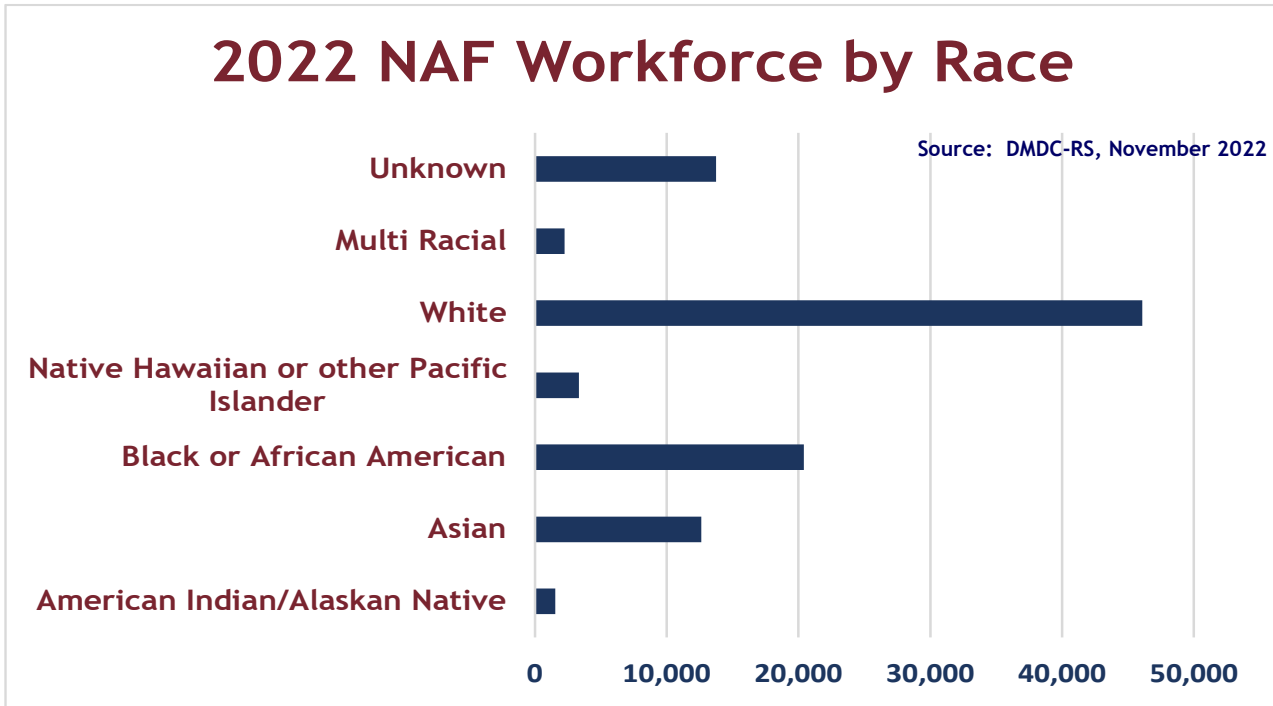
Females make up the majority of the workforce and outnumber males in the workforce 2:1.



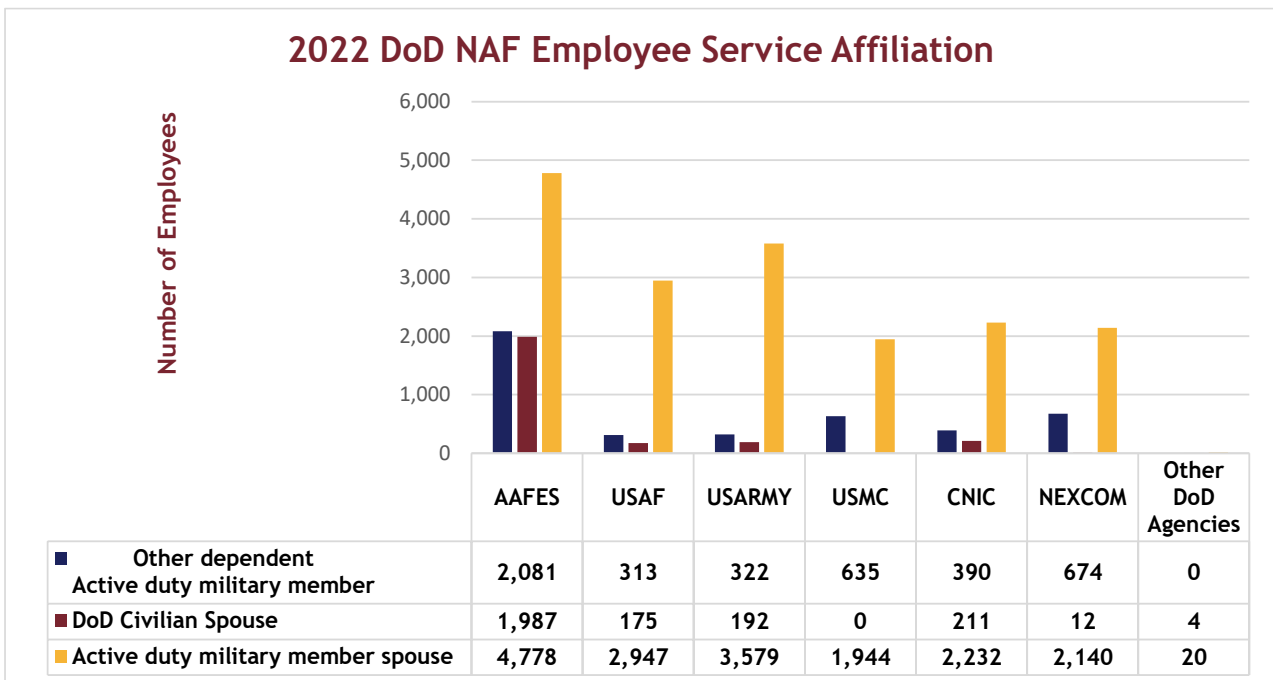
Source: DMDCRS, November 2022

## NAF Personnel Policy Program Demographics (cont.)

The racial diversity of the NAF workforce reflects the diversity in our country. As of November 2022, 46 percent of our workforce is white. The other 54 percent is comprised of African American (20 percent), Asian (13 percent), Native Hawaiian or other Pacific Islander (three percent), Multi-Racial (two percent), and American Indian/Alaskan Native (two percent).



Each NAF Component employs individuals affiliated with a military service; this includes military spouses, civilian employee spouses, and military dependents. The following graph shows the number of employees attached to the services through a familial relationship.



Source: DMDC-RS, November 2022

# NAF Personnel Policy Program Highlights

## Policy and Issuances

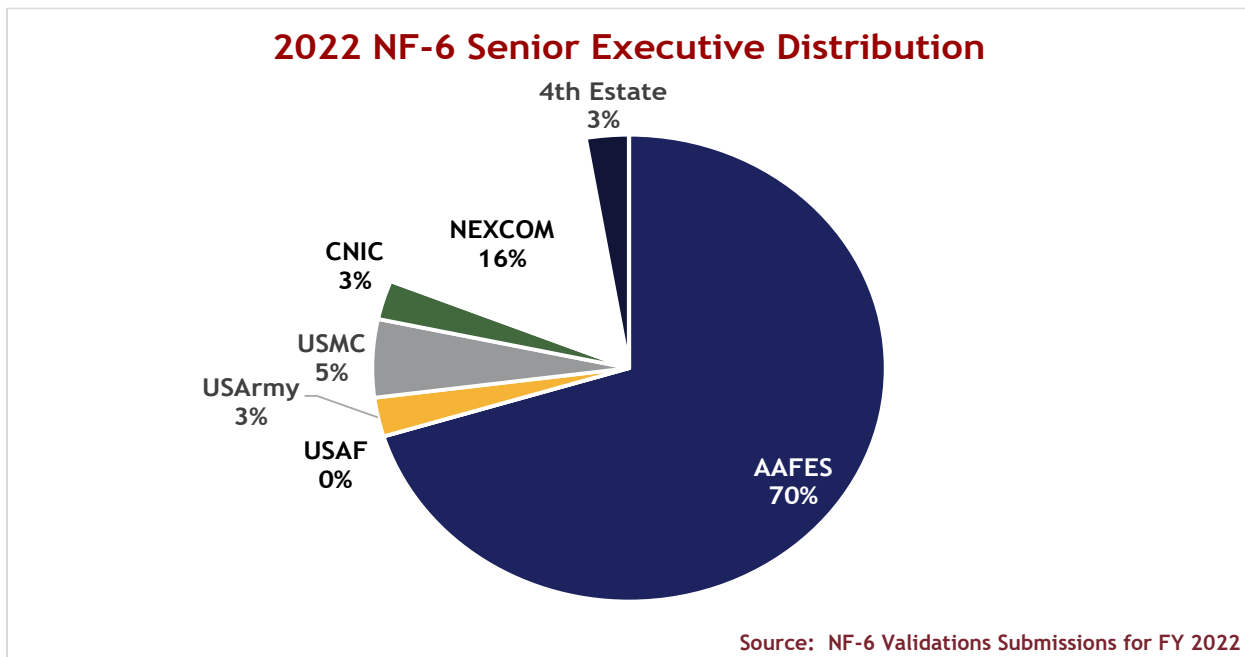
### Department of Defense Instruction (DoDI) 1400.25:

- Volume 450, “Program Evaluation.” This is a new policy volume that is supplemented with a procedural handbook. The policy volume is applicable to DoD Appropriated Fund (APF) and NAF employers; the handbook is NAF specific. *Expected publication: Feb 2024.*
- The revision to Volume 1401, “DoD Civilian Personnel Management System: General Information Concerning Nonappropriated Fund (NAF) Personnel Policy” adds provisions implemented in Volume 1471 of this instruction and the requirement to implement procedures outlined in DoDI 1444.02, Volume 2, “Data Submission Requirement for DoD Civilian Personnel: Nonappropriated Fund (NAF) Civilians,” dated November 5, 2013. The Data Submission Requirements for DoD Civilian Personnel: Nonappropriated Fund (NAF) Civilians Handbook supplements Volume 1401. *Expected publication: Feb 2023.*
- Change 1 to Volume 1404, “DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Performance Management Program,” updates the Delegation of Authority; changes the responsibility from USD(P&R) to DASD(CPP) for the assessment and validation of the DoD NAF Senior executives appraisal results; revises references, organizational titles, and Directives Division website address. *Expected publication: Mar 2023.*
- Change 2 to Volume 1406, “DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Attendance and Leave,” incorporates compensatory time off for travel, adds paid parental leave, and administratively extends the annual leave restoration regulations for employees deemed necessary to respond to certain national emergencies in 5 CFR 630.310. *Expected publication: Late Feb 2023.*
- The revision to Volume 1407, “DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Classification,” will add the requirement for NAF employers to identify and designate positions as emergency essential, provide pay plan and classification guidance for Auto Mechanic positions, establish minimum position qualifications for Child and Youth Program Assistants, Leaders and Technicians, and the Industry Program Experts pay levels. *Expected publication: Dec 2023.*
- Change 2 to Volume 1408, “DoD Civilian Personnel Management System: Insurance and Annuities for Nonappropriated Fund (NAF) Employees,” establishes the procedures for implementation of a Medicare advantage with prescription drug plan and provides employees military service credit to satisfy the post-retirement medical requirement, with credit not to exceed 5 years. *Expected publication: Mar 2023.*
- The revision to Volume 1412, “DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Overseas Allowances and Differentials, and Employment in Foreign Areas,” adds policy for Domestic Employees Teleworking Overseas, pay advances, the requirement to conduct Living Quarters Allowance reviews, uses plain language and makes revisions to format. *Expected publication: Dec 2023.*
- Change 1 to Volume 1471, “DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Labor-Management and Employee Relations,” clarifies the applicability of the Oath of Office for NAF employees, updates personnel practices, and requires performance be the primary criterion for business based actions. *Expected publication: Dec 2023.*

## NAF Personnel Policy Program Highlights (cont.)

### Pay, Awards, and Performance Management

- Senior Executive Pay and Performance System Opening and Closing Guidance issued for the FY 2022 Performance Appraisal Period.
- NAF Personnel Policy coordinated validation of the DoD Component NAF Senior Executive (NF-6) Performance Appraisal rating results. Validation covers 37 positions within the Department of the Army, Fourth Estate, Department of the Navy, and AAFES.
- Air Force, does not have NAF leadership teams with NF-6 Senior Executives, while the other NAF Component employers do have leadership teams with NF-6 Senior Executives. As a percentage of the total NF-6 Senior Executive population, the chart below shows the concentration of these executives within each Component. 70 percent of the total NF-6 Senior Executives serve on the AAFES leadership team.



### COVID-19 Response

- NAF Policy continued to participate on the DoD COVID-19 task force and coordinate with subject matter experts throughout DoD to ensure dissemination of consistent DoD guidance and policy response memorandums.
- On a quarterly basis, NAF employers continue to report COVID-19 data that informs policy decisions used to formulate COVID-19 after action plans.
- NAF Policy continues to be a valuable resource for the NAF employers by providing current, accurate, and timely information.
- From March 2020 through October 31, 2022, 11,425 NAF Health Benefit Program (HBP) members received a positive COVID-19 diagnosis. 830 NAF HBP members had inpatient hospitalizations with 23 deaths. Overall, there are 42,030 paid COVID-19 claimants, with costs of \$42,284,000, which is 4.6 percent of the NAF HBP budget.

## NAF Health Benefits Program (HBP)

The FY 1995 National Defense Authorization Act (NDAA) required DoD to provide a uniform health benefits program (HBP) for its NAF workforce instead of the six separate and distinct plans that were offered by the NAF Component employers. On January 1, 2000, DoD NAF HBP implemented a Congressionally required uniform health plan. Under a competitively-awarded contract, Aetna Life Insurance Company, acting as the third party administrator, provides a broad range of administrative services for self-insured medical benefits, a self-insured dental plan, and a fully-insured stand-alone dental insurance plan. The NAF employers' share of premiums is 70 percent, with employees and retirees paying 30 percent. The NAFs also utilize a number of health maintenance organizations to provide care to eligible employees, retirees, and their dependents.

### Characteristics of the DoD NAF HBP:

- 33,941 employees/retirees are in the medical plans Preferred Provider Organization (PPO) and Indemnity.
- 45,005 employees/retirees are in the dental plan.
- 6,464 insured employees are in the stand-alone dental plan.
- 6,023 insured employees/retirees are in health maintenance organizations.
- 55,744 total members are in the medical plan; 12,102 total participants are in the Medical Advantage with Prescription Drug (MAPD) plan; 71,989 members are in the dental plan; and 12,180 total members are in the stand-alone dental plan.
- In 2022, self-insured medical, dental, and prescription drug claims paid were \$493,467,936. Pharmacy costs were \$128,700,961 or 26.08 percent of the total claims paid. Self-insured dental claims paid were \$25,374,672 and stand-alone dental claims paid were \$3,307,412.

### Noteworthy Accomplishments:

- On January 1, 2022, the NAF HBP implemented a new health plan, a **Medicare Advantage with a Prescription Drug (MAPD) Plan**. Under this group-underwritten plan, renewal rates are guaranteed for plan years 2023 and 2024 thereby providing cost stability.

Advantages for MAPD participants include:

- 1) Significantly reduced Medicare-eligible healthcare costs;
- 2) NAF enrolled HBP members paid 60 percent less for their retiree-only 2022 premiums, have less in annual deductibles and out-of-pocket maximums, and have a lower Tier 1 copay when filled at network preferred pharmacies;
- 3) Members now carry ONE identification medical/pharmacy card instead of two;
- 4) Members may fill 90-day maintenance medications at any network pharmacy; and
- 5) Members have access to Silver Sneakers, a healthy lifestyle program that provides gym memberships, group fitness classes, and access to trained instructors and fitness centers.

MAPD NAF employer advantages include:

- 1) Guaranteed premiums for three years (2022-2024);
- 2) Significant NAF cost reductions from self-insuring post-65 retirees;
- 3) Reduced administrative reporting of claims and banking requirements; and

## NAF HBP (cont.)

4) Considerable Accumulated Post-retirement Benefits Obligation (APBO) savings—the monetary reserves needed to fund retiree medical liabilities. The estimated annual savings are \$84,473,174. Estimated APBO savings for each NAF Component are:

NAF Component	APBO Costs	Est. APBO Costs w/MAPD	Est. APBO Savings	Actuary
AAFES	\$39,600,000	\$12,000,000	\$27,600,000	Willis Towers Watson
Air Force	\$14,108,438	\$5,027,968	\$9,080,470	Willis Towers Watson
Army	\$21,407,424	\$7,758,020	\$13,649,404	Cheiron
CNIC	\$17,800,000	\$7,800,000	\$10,000,000	Willis Towers Watson
Marine Corps	\$17,543,300	\$7,000,000	\$10,543,300	AON
NEXCOM	\$20,800,000	\$7,200,000	\$13,600,000	Willis Towers Watson

- The objective of the DoD NAF HBP Employee Benefits Committee five-year strategic plan is to achieve financial sustainability—no plan increase of more than five percent each year from 2021 through 2025—while offering a competitive health benefits package. The Committee’s Four Focus Goals, each of which are designed to be measurable, reportable, and achievable include:

- 1) Improving the health of the population as it ages;
- 2) Implementing a post-65 retiree solution (MAPD) – achieved a year earlier than projected;
- 3) Educating plan members to understand the total cost of care that leads to proactive lifestyle decisions, thus helping to reduce the price of their premiums; and
- 4) Increasing communication and education efforts that focus on helping plan members understand the total cost of care and ways to actively improve health through the Disease Management Program.

- Deloitte Consulting, LLC., completed an audit of 2021 pharmacy claims. The audit, to validate the third party administrator’s financial processing and payment accuracy analyzed a random sample of 218 claims totaling \$1,163,875. The third party administrator achieved 100% accuracy in all three areas.

- A High Deductible Health Plan (HDHP) with a health savings account (HSA) option for eligible DoD NAF employees and retirees provides plan members the same negotiated prices for services; the use of the same provider network of doctors and hospitals; and the same pharmacy network. 2023 premiums for the HDHP plan option are 23.08 percent lower than the 2022 premiums for the Choice POS II or Traditional Choice plans in CONUS for active employees and pre-65 retirees and OCONUS individuals. HDHP members with an HSA have higher deductibles, but the HDHP plan allows members to contribute pre-tax money deducted from their paycheck or post-tax money which is tax deductible.

- Interest-bearing HSAs are available to CONUS active employees and pre-65 retirees enrolled in the HDHP plan. For those who are establishing or already have an HSA account, NAF employers contribute \$500 for employee-only and \$1,000 for a family. Individuals can also contribute up to \$3,850 for employee-only and \$7,750 for a family in 2023. Benefits include earning tax-free interest from the savings account or investment earnings as well as tax-free distributions when they are used for qualified healthcare expenses. (cont.)



## NAF HBP (cont.)

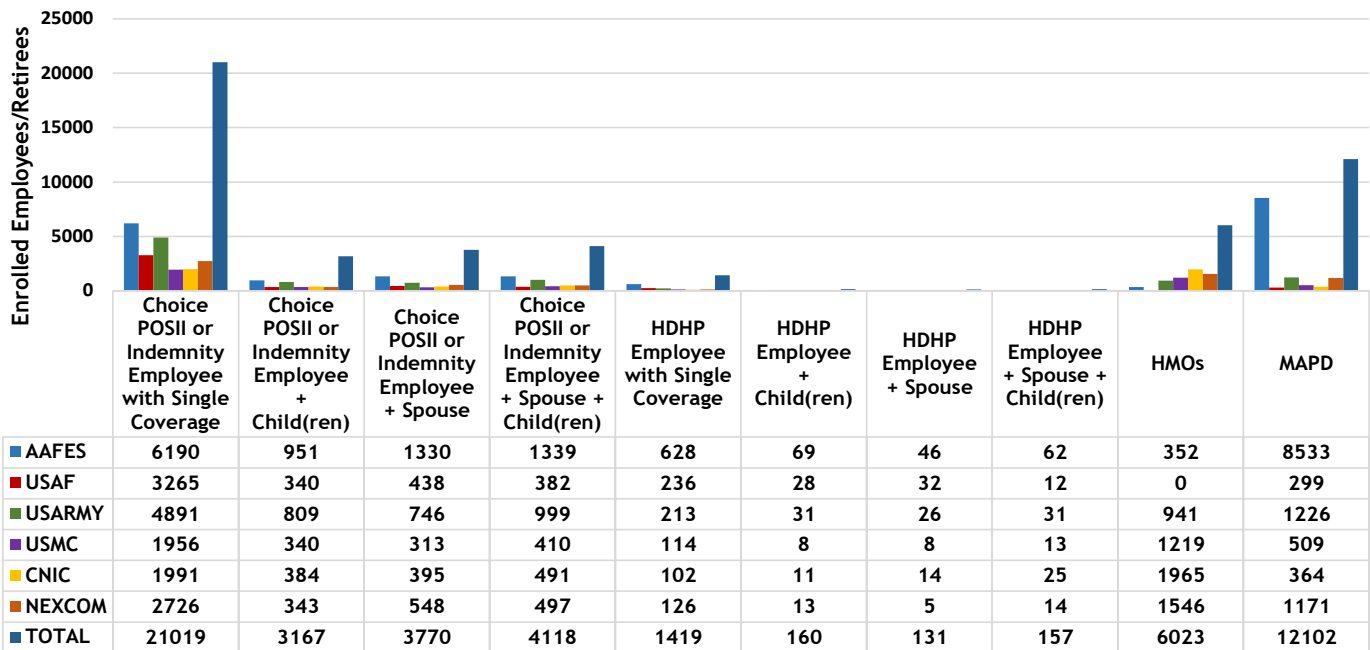
If an employee switches plans or decides to leave NAF employment, either by taking another job or retiring, HSA monies belong to the employee. Employees can invest \$1,000 or more in 25 investment funds. For those 65 and older, HSA monies may be used for non-eligible expenses without a 20 percent tax penalty.

- All OCONUS members enrolled in the HDHP are offered participation in Health Reimbursement Accounts (HRAs). The NAF employers contribute \$500 for employee-only and \$1,000 for a family to the HRAs.
- Athena Actuarial, LLC., the new DoD NAF benefits consultant, provided the 2023 Creditable Coverage analysis of the NAF HBP prescription drug benefit plans offered to active employees, pre-65 retirees, and their dependents. Athena determined the Aetna Choice POS II and Traditional Choice Indemnity plans cover at least 90.6 percent of the total gross prescription drug claim costs, and the HDHP covers at least 87.8 percent of the total gross prescription drug claim costs, thus qualifying each as creditable prescription drug coverage. This analysis is required by the Medicare program to allow individuals on prescription drug plans to avoid late enrollment penalties when applying for Medicare Part D coverage.
- Every year the DoD NAF HBP Employee Benefits Committee reviews plan designs and premiums. When necessary, the Committee recommends cost containment or benefit enhancement strategies. For CY 2023 the NAF HBP Committee recommended changes to the Choice POS II and Traditional Choice Indemnity plans:
  - 1) Increase in-network deductibles from \$500/\$1500 to \$600/\$1800 for employee/family members;
  - 2) Increase out-of-pocket maximums from \$4000/\$8000 to \$5000/\$10000; and
  - 3) Enhance the acupuncture benefit to allow for 10 medically indicated conditions.
- To encourage wellness and a healthy lifestyle, NAF HBP participants may earn Health Incentives of up to \$300 for the employee/retiree. For those employees that cover dependents, an additional \$300 can be earned by dependents for a total of up to \$600 a year by completing the following health actions:
  - 1) Online Health Assessment (\$75 incentive).
  - 2) Biometric/metabolic syndrome screening (\$150 incentive).
  - 3) Three calls with a Disease Management Nurse to work on a goal (\$75 incentive only for CONUS members).
  - 4) Online Journey \$75 incentive each for up to four journeys per employee/retiree and covered spouse.
  - 5) Preventive exam for children under age 18 (\$50 incentive).

Earned credits will be applied to the medical deductible or coinsurance when claims are processed. If an employee is enrolled in the HDHP and has either an HSA or HRA, these health incentives will be added to their HSA or HRA account. Individuals can learn more about the program by visiting Health Incentives Program: DOD My NAF Benefits ([nafhealthplans.com](https://nafhealthplans.com)). The Health Incentive Program is not available to those enrolled in the MAPD Program.

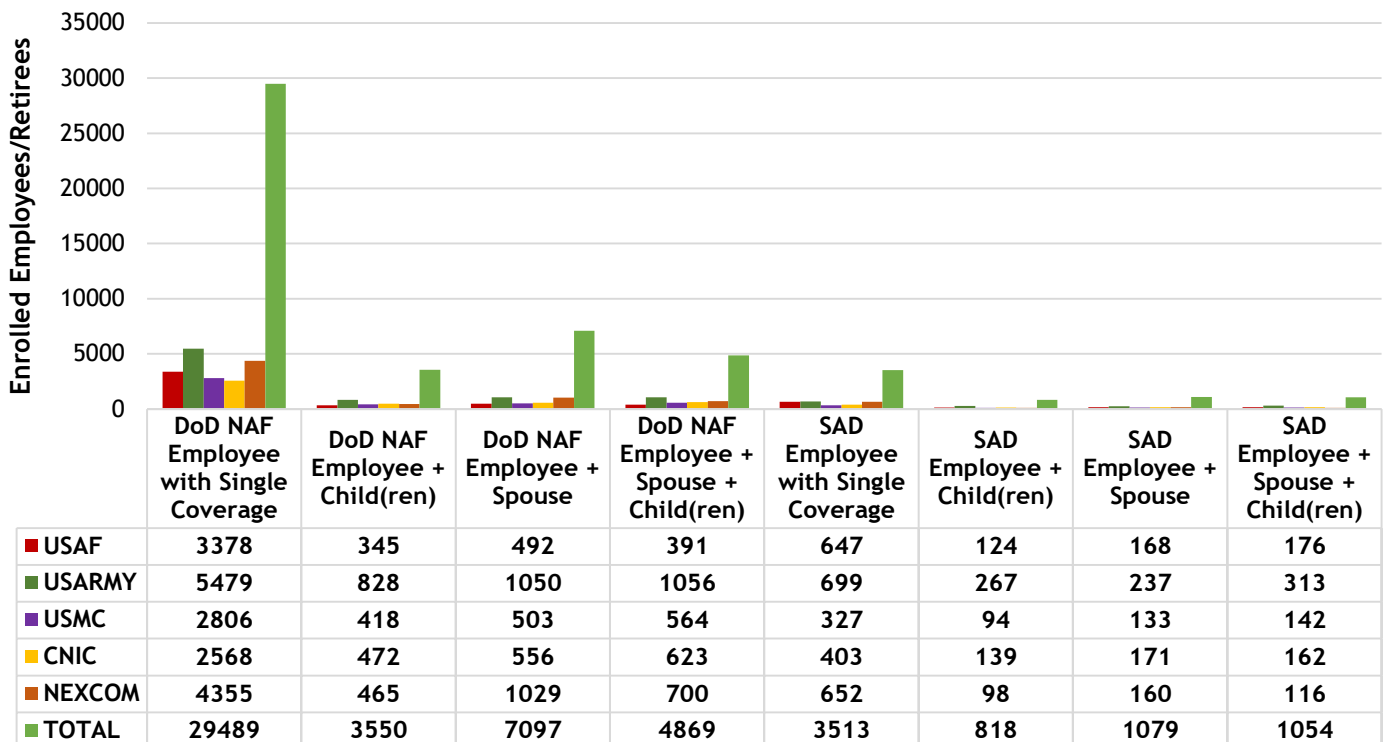
## NAF HBP (cont.)

### 2022 NAF HBP Medical Enrollment Totals



\*As of December 31, 2022

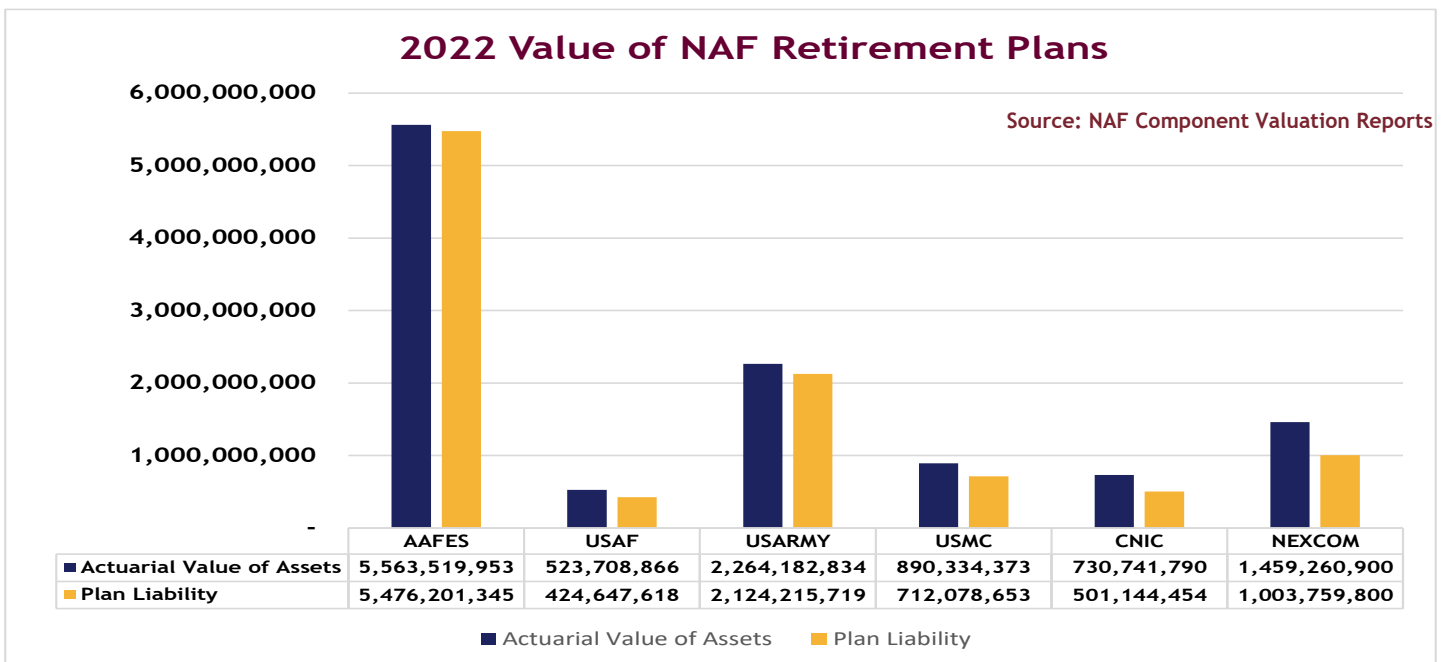
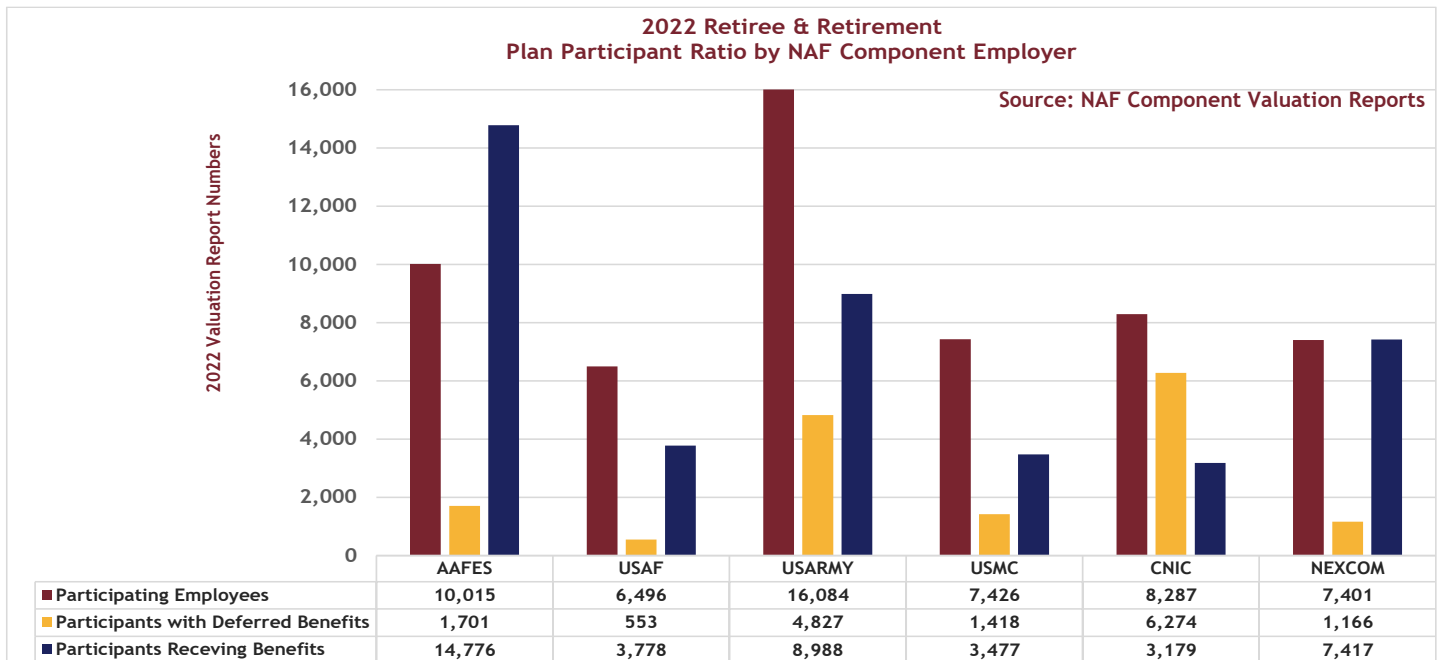
### 2022 NAF HBP Dental Enrollment Totals



\*As of December 31, 2022

# NAF Retirement Program

- Executed oversight of seven DoD Component NAF retirement plans, representing approximately \$10,400M in assets, sponsored by six NAF Component employers.
- Using contract 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, dated October 1, 2021.



# NAF Initiatives and Accomplishments

## DoD Portability of Benefits Working Group (POBWG)

Established in April 2018 to develop additional guidance for HR specialists on DoD NAF to DoD NAF employee moves, and employee moves between DoD NAF & DoD APF or DoD APF to DoD NAF. The goal is to reduce errors and assist in correcting errors related to portability of benefits, reinforce working relationships across Components, and share Component documents.

NAF Policy hosted two POBWG meetings in 2022 to address ongoing concerns and issues, and to provide a forum for the sharing of best practices. Membership increased from 81 to 86 members, with representatives from DoD NAF and DoD APF Components.

Some POBWG accomplishments include:

- NAF Policy conducted three sessions relating to portability during the 2022 DCPAS Benefits and Work-Life Virtual Symposium. Two sessions were on the NAF Personnel System and Portability of Benefits between civil service and NAF employment systems. The other session was a combined course on APF benefits with portability reminders for staffers.
- During the summer of 2022, NAF Policy introduced the portability of benefits newsletter, *The PULSE*. The goal is for *The PULSE* to become an important resource for sharing knowledge, Agency best practices, and success stories across DoD NAF and DoD APF Components.

## Way Forward:

- For continued education regarding portability, provide website links and e-mail addresses to Component-specific information and forms regarding portability processes.
- Create a military service buy-back comparison chart regarding the portability process for all NAF Component employers.

## Employee and Labor Relations

Initiated formal coordination of Change 1 to DoDI 1400.25, Volume 1471, DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Labor-Management and Employee Relations. The revision will clarify the applicability of the Oath of Office to NAF employees, update the prohibited personnel practices and require performance be the primary criterion for business based actions.

## Classification

Initiated formal coordination the revision to DoDI 1407, “DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Classification,” which will add the requirement for NAF Component employers to identify and designate positions as emergency essential, provide pay plan and classification guidance for Auto Mechanic positions, and establish minimum position qualifications for Child and Youth Program Assistants, Leaders and Technicians and the Industry Program Experts pay levels. The formal coordination package is in the Technical Director’s queue for approval. *This volume expired in 2022.*

## NAF Initiatives and Accomplishments (cont.)

### Overseas Allowances

Initiated formal coordination of the revision to DoDI 1400.25, Volume 1412, DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Overseas Allowances and Differentials, and Employment in Foreign Areas. This revision will add policy for Domestic Employees Teleworking Overseas (DETO), the requirement to conduct Living Quarters Allowance (LQA) reviews, policy regarding pay advances, and makes revisions to format and writing style throughout. *This volume expired in 2022.*

### Administrative

- NAF Policy, along with Wage and Salary Division, published guidance to implement the President's Executive Order to provide the Federal workforce with at least a \$15 pay rate across the entire DoD NAF Workforce. The Undersecretary of Defense for Personnel and Readiness Memorandum signed March 9, 2022, extended the President's mandate to NAF Pay band employees and provided implementing guidance regarding other segments of the NAF Workforce.
- On March 31, 2022, Change 1 to DoD Instruction 1400.25, volume 1405 was published. This change updated the method for calculating the NF-4 and NF-5 pay bands to decrease overlap between those bands and the lower pay bands.
- Coordinated FY 2023 NAF budget process for Wage and NAF Personnel Policy including soliciting Component concurrence and USD(P&R) approval.
- Ongoing collaboration with Military Community and Family Programs, Child Youth and Families Policy office to develop strategies to mitigate staffing, retention classification, and compensation issues within DoD Child Care facilities. This collaboration has included work on several policy memorandums as well as participation on the DoD Child Development Program Recruitment, Retention, and Compensation Task Force.
- IMCOM G-9, Army NAF Contracting Office, sent Aetna Life Insurance Company a notice of intention to exercise Option Period One, of the existing third party administrator contract. Option Period 1 runs January 1, 2023 to December 31, 2024. The contract, with its base and three option periods, goes through December 31, 2028. This preliminary notice does not commit to an extension of the contract.
- On May 17, 2022, the OUSD(P&R) Records Management Officer approved NAF Policy's Records Management File Plan. Throughout 2002, NAF Policy has gone through the paper files returned after digitization to ensure there are no "official" records that must be transferred to the National Archives and Records Administration. The digitized files are in the process of being integrated into NAF Policy's file structure on the shared drive.

### Initiatives

- NAF Policy actively participates in the Civilian Recruitment & Hiring, and the Disability & Accessibility subgroups that are a part of the Diversity, Equity, Inclusion, and Accessibility Analytics Working Group under the umbrella of OSD's Office for Diversity, Equity, and Inclusion. The sub working groups focus on tracking disability as a protected class, recruiting and retention of individuals with disabilities, and exploring the 12 percent and two percent goals around individuals with disabilities and targeted disabilities.

## NAF Initiatives and Accomplishments (cont.)

- NAF Policy is also participating in three new high-level initiatives. The **Civilian Talent Management Action Planning Working Group**, led by the Strategic Advisors in the Office of the Deputy Assistant Secretary for Civilian Personnel Policy; the **DoD Child Development Programs Recruitment, Retention, and Compensation Task Force**, which is comprised of representatives from the DoD Components and 4th Estate Agencies; and the **DoD Recruiters Consortium**. One of the foundational issues the Child Development Programs Task Force is working on is the current childcare staffing structure and the feasibility of developing a DoD standard model. The Civilian Talent Management Working Group will play a critical role in defining the actions that ensure achievement of the goals outlined in the FY 2022-2026 Human Capital Operating Plan. The DoD Recruiters Consortium will discuss emerging issues, challenges, best practices, and the latest tools and trends affecting Federal and private industry outreach and recruitment.
- In March 2022, NAF Policy met with USD(P&R) Defense 2040 Taskforce (Defense Equity 2.0) to discuss the NAF data challenges, roadblocks, and opportunities to enable maximum visibility of the NAF population within the enterprise. Follow-on discussions emphasized the impact to the Diversity, Equity, Inclusion, and Accessibility program analysis when the cancellation of DoDI 1444.02, “Data Submission Requirements for DoD Civilian Personnel: Nonappropriated Fund (NAF) Civilians,” occurs. The Director, Disability Equal Opportunity Policy and Compliance and the Director, Equal Employment Opportunity were also made aware of the impact to the Department’s ability to utilize the ADVANA app to respond to external civil rights EEOC statutory (MD-715) reporting. This is an ongoing effort by NAF Policy to generate awareness about the cancellation of DoDI 1444.02 and to minimize the impact to the enterprise.
- NAF Policy continues to engage with DMDC Technical Directorate and DCPAS Enterprise Solutions and Integration Directorate seeking the implementation of the Nonappropriated Fund Common Access Card Data Interface Change Request Transmission (CRT) 20-139325 which would correct critical HR data fields such as “hourly rate of pay” and “work schedule.” The implementation would provide the Department with some much needed updates to DMDC Monthly NAF Status File Reports and access to indispensable total force data.
- In November 2022, NAF Policy joined the Defense Trusted Workforce 2.0 Implementation Working Group. The working group is divided into five iterative subgroups, that meet weekly to develop a plan for implementing Trusted Workforce 2.0 initiatives in line with the Performance Accountability Council’s Trusted Workforce Implementation Strategy. The working groups will meet through March 2023.
- In support of the OPM Memorandum, “Achieving a \$15 Per Hour Minimum Pay Rate for Federal Employees,” January 21, 2022, NAF Policy conducted two data calls to ascertain the number of NAF employees below \$15 per hour at NAF activities. In addition to the quantitative data request, DoD NAF employers provided business case narratives that articulated the estimated impact to both the NAF budgets and to the quality of services provided to military members and their families by our operations. Information collected by NAF Policy was used in OPM’s final report to the President with recommendations to promote a \$15 per hour minimum wage for Federal employees.

## NAF Initiatives and Accomplishments (cont.)

- NAF Policy worked on a legislative proposal to remove floor provisions from prevailing rate schedules in an effort to increase NAF employer flexibility to set pay in line with the private sector. The \$15 minimum pay schedules established an artificial minimum pay floor that separates NAF Federal wage schedules from prevailing rates. NAF Policy convened a conference call with DCPAS Wage and NAF employers on Friday, August 26, 2022, to discuss the legislative proposal, NAF Wage Schedules, and Cost of Living Adjustment.



**BENEFITS · WAGE · NAF Policy**  
Our Service Sustains Your Service

# ***LOB3 Way Ahead***



## 2023 Benefits, Wage & NAF Policy (LOB3) Way Ahead

### **BENEFITS:**

- ⇒ Develop Financial Fitness Action Plan.
- ⇒ Publish Casualty Reporting Process Handbook.
- ⇒ Develop Special Retirement Audit Process.
- ⇒ Publish DoDI 1400.25 v896, “Healthcare Program for Civilian Employees and Family Members Assigned Abroad” Overseas Healthcare DoDI.
- ⇒ Develop Post-Retirement Audit Process.
- ⇒ Finalize Benefits Dashboard.
- ⇒ Develop Military Service Deposit Waiver of Interest.
- ⇒ Continue to monitor FERS-FRAE and FERS-RAE Corrections Audit Process.

### **TRAINING AND CREDENTIALING:**

- ⇒ Introduce new Mil-University online self-paced training courses:
  - \* Self-Paced Level I Credentialing Exam Prep Course.
  - \* Self-Paced FERS Eligibility Workshop Course.
- ⇒ Introduce the use of the MS Teams Whiteboard in all Virtual Benefits Courses.
- ⇒ Design a new Instructor backdrop for use during Benefits Training.
- ⇒ Develop a new module for the Advanced Benefits Workshop Course (ABW).
  - \* Add Management of Benefits Programs.
- ⇒ Tweak the ABW course schedule.
  - \* Remove Annuity Computations module.
  - \* Remove CFR-U.S.C. module.

### **WORK-LIFE PROGRAMS:**

- ⇒ Implement DoD Work-Life Strategic Implementation Plan.
- ⇒ Publish DoDI 1400.25: Workplace Flexibilities and Work-Life Programs.
- ⇒ Publish DoDI 1305.01: Telework and Remote Work Policy.
- ⇒ Develop the framework for the Work-Life Balance Training course.
- ⇒ Develop EAP guidance and renewed EAP Contracts.
- ⇒ Develop EAP website.
- ⇒ Increase EAP utilization.

## 2023 Benefits, Wage & NAF Policy (LOB3) Way Ahead (cont.)

### INJURY AND UNEMPLOYMENT COMPENSATION (ICUC) PROGRAM:

- ⇒ Expand the Credentialing test bank for Level I and Level II.
- ⇒ Add ability to view time with a THC = KD in DIUCS so ICPAs can view all lost time for employees.
- ⇒ Finish development of Operations Manual.
- ⇒ Develop content for online use for COP, POD, Chargeback Review, and Performing Case Reviews.
- ⇒ Create Standard Operating Procedures for HR specialists to use as tools in the performance of their duties.
- ⇒ Schedule meetings with Unemployment Compensation Program Administrators to ensure comprehension and clarity of their responsibilities.
- ⇒ Create questionnaire for Unemployment Compensation Specialists to ensure we are meeting the needs of our clients.
- ⇒ Develop customized training on report retrieval from DIUCS to improve program management, and reduce cost.
- ⇒ Continue to work with DMDC managers, and Salient contractors to automate unemployment functions, and implement quality assurance.

## 2023 Benefits, Wage & NAF Policy (LOB3) Way Ahead (cont.)

### WAGE AND SALARY PROGRAMS:

- ⇒ The Federal Prevailing Rate Advisory Committee (FPRAC) met five times in 2022.
  - \* Wage participates in the FPRAC working group to improve the mechanics of the FWS.
  - \* Additional information and meeting minutes can be found at: <https://www.opm.gov/policy-data-oversight/pay-leave/pay-systems/federal-wage-system/#url=FPRAC>
- ⇒ Continue to monitor changes to state and locality minimum wage laws and send updates to the staff. Pay schedules are updated as needed and distributed to the LWSC Chairman of the affected areas and posted on the DCPAS public website.
- ⇒ Continue to work with Contractors to modernize and finalize the Wage modernization 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 modernization tool, on applicable pay schedules, and relevant stakeholders are timely notified.
- ⇒ The Wage and Salary team continues to improve the website's content to enhance our customer's experience.
- ⇒ Advise the Bureau of Engraving and Printing and other Executive Agencies on compensation practices.
- ⇒ Advise Components on special salary options if there are recruitment and retention difficulties.
- ⇒ Recommended improvements: remove annual floor and cap provision to restore local prevailing rates, eliminate biennial full-scale surveys, and establish triennial survey cycle.
- ⇒ Increase personnel manning levels to better align with current workload.

## 2023 Benefits, Wage & NAF Policy (LOB3) Way Ahead (cont.)

### NAF PERSONNEL POLICY PROGRAM:

⇒ Align NAF programs to the Human Capital Objectives set forth in the FY 2022-FY 2026 DoD Civilian Human Capital Operating Plan. This will support the HR competencies effort and the development of NAF specific professional development.

⇒ NAF efforts that align with the Secretary of Defense initiative, “Taking Care of our People:”

- \* Evaluate NAF HR Programs to remove barriers for career transition and advancement across the DoD NAF enterprise and the entire Federal Government.

- \* Establish and lead a working group to develop language and procedures for an enterprise-wide transfer program for Child Youth Programs.

- \* Promote NAF HR policies that support diversity and inclusion in the DoD NAF workforce.

- \* Develop criteria to analyze “Total Compensation” across the DoD NAF enterprise. This effort will holistically review the pay and benefits offered in the industries where DoD NAF employers operate. This will help inform future pay and benefits offerings and ensure that employees are compensated appropriately.

⇒ Engagement actions:

- \* Through an updated presence on [DoDCivilianCareers.com](https://www.dodciviliancareers.com), continue to enhance our ability to attract and hire the most qualified employees, addressing immediate Agency hiring needs to rebuild capacity and to retain top talent.

- \* Creation of a NAF Retirement Section on the [DCPAS.osd.mil](https://dcpas.osd.mil) to provide resources and guidance to NAF employees about to retire or for those that have already retired.

- \* Emphasize communication with Community of Practice to enhance strategic alliances and partnerships.

- \* Launch NAF “Coffee Breaks” to provide mini educational sessions that present relevant technical information, e.g. navigating the issuance process, applicability of USERRA, etc.

⇒ Continue to:

- \* Participate in DoD level working groups to promote inclusion of NAF employees in DoD initiatives.

- \* Develop NAF HR policies that promote flexibilities for the NAF Business Operations across DoD.

- \* Improve enterprise wide NAF HR data availability to facilitate data driven decision making.

- \* Support and provide NAF specific input to DoD HR IT Modernization initiatives.

- \* Collaborate with and support the Benefits Training and Credentialing team as they add the new *Program Management Review Module* to the Advanced Benefit Workshop Level III course in Calendar Year 2023.

## 2023 Benefits, Wage & NAF Policy (LOB3) Way Ahead (cont.)

### NAF PERSONNEL POLICY PROGRAM (cont.):

- \* Collaborate with and provide support to OPM's Benefits Officers Liaison and Development Team, assisting with portability related information for updates to the OPM website, and participate in future OPM virtual benefit trainings.

⇒ Publish and promote:

- \* The NAF Human Capital Management Evaluation Program Handbook specific to program evaluation operational methods accompanies DoDI 1400.25, Volume 450, "DoD Civilian Personnel Management System: Human Capital Management Evaluation Program." ***Volume 450 and the Handbook are in formal coordination.***

- \* The NAF Civilian Personnel Data Handbook describing NAF civilian personnel data requirements is pending approval by DCPAS Director. The Handbook accompanies the revision to DoDI 1400.25, Volume 1401, "DoD Civilian Personnel Management System: General Information Concerning NAF Personnel Policy."

⇒ Initiate NAF Policy Revisions:

- \* Volume 1403, "DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Employment" will establish a Child Youth (CY) Program employee transfer program between NAF Component employers to retain trained CY Program employees; clarify the intent and scope of the flexible employment category, and update suitability requirements. Additional substantive changes include policy that establishes additional competitive hiring preferences and considerations for targeted groups; guidelines for domestic employees working overseas; establishes a probationary period of one year for NAF Senior Executives, and the use of criteria for the standard NAF Notification of Personnel Action Form.

- \* DoDI 1400.25, Volume 1404, "DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Performance Management Program," will update the NAF performance management program to increase conversations, recognition, and developmental opportunities.

- \* DoDI 1400.25, Volume 1405, "DoD Civilian Personnel Management System: Nonappropriated Fund Pay, Awards and Allowances," will incorporate updates to policy, comply with plain language standards.

- \* DoDI 1400.25, Volume 1417, "DoD Civilian Personnel Management System: Civilian Transition Program (CTP) for Nonappropriated Fund (NAF) Employees Affected by Workforce Reductions," will incorporate updates to the reference section, comply with plain language standards.

- \* DoDI 1400.25, Volume 1471, "DoD Civilian Personnel Management System: Labor Management and Employee Relations," will incorporate updates to policy, comply with plain language standards.

*THE END*