

GOVERNMENT MANAGERS COALITION

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January 17, 2012

The Honorable John Berry
Director
U.S. Office of Personnel Management
1900 E Street N.W.
Washington, D.C. 20415

Dear Director Berry,

On behalf of the five major federal sector executive and management professional associations comprising the Government Managers Coalition, we are writing to express our serious concerns with the current annuity processing backlog, interim payment amounts, lack of standardized information on annuity payments, and length of processing time that many retirees experience with the Office of Personnel Management (OPM).

The Government Managers Coalition (GMC) collectively represents the interests of over 200,000 supervisors, managers, and executives throughout the federal government. Many federal managers and executives are eligible to retire or are newly retired. Given the increased use of early retirement authority and the potential changes to retirement benefits being considered by Congress, we expect that many supervisors, managers, and executives will choose to retire over the next year. We fear this will compound the retirement processing problems which OPM is already struggling to address.

Recently, much attention, both by Congress and the media, has focused on the backlog in processing annuities and the challenges OPM is facing. We understand that OPM has attempted to modernize its system since 1998. Despite these efforts, it is the experience of GMC members that backlogs persist and that it can take six months or more before a newly retired employee receives a full annuity check. In addition, our members have experienced a lack of clear communication regarding pre-retirement application inquiries, the payment process, interim pay status that can range from 40-60 percent of the full annuity, and difficulty obtaining information on the status of their payments.

We know that OPM is aware of these issues and is working to address them. We also understand that the process of determining and finalizing annuity payments is complex and often dependent on individual circumstances. Added to this is an outdated, virtually non-existent, technological system for processing annuities. While OPM works to address the myriad issues with the annuity processing system, the GMC would like to propose several interim options.

We suggest there should be consistent information provided to agency human resources offices that can be easily disseminated to employees experiencing the retirement process. Employees should be made aware of any anticipated processing delays prior to entering into retirement. We urge you to examine this issue and to take immediate action to ensure that any remaining

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backlogs are addressed and that OPM provides clear, accurate, and standard information to retirees regarding the payment schedule they can reasonably expect.

In the meantime, the GMC suggests the following steps as a means of immediately addressing the information and communication problems that soon-to-retain and recently retired federal employees experience.

- OPM should provide standard, easily understandable guidance to agency retirement benefits specialists, and should also ensure agencies provide this guidance to all employees, regardless of whether they are near retirement or not. This is an area where the GMC could be of assistance. It is our understanding that OPM has updates it provides to agencies, and we suggest this information also be disseminated to employees through alternate channels on a regular basis. We stand ready to help OPM do so through communication with our members.
- OPM should provide each annuitant with regular communication and status updates, along with an anticipated completion date when full annuity payments can be expected. This is similar to what OPM is doing for USAJobs applicants.
- OPM should provide each annuitant with a written explanation for the amount the annuitant is receiving in monthly checks, particularly when those amounts change. Clear and consistent notifications from OPM would provide annuitants with some measure of comfort and security as they enter their retirement.

In addition, given the likelihood that the processing backlog will grow as agencies deal with budget shortfalls through the use of Voluntary Early Retirement Authority (VERA), we suggest that OPM seek alternate procedures to quickly begin working through the current backlog. The GMC offers the following as possible methods for doing so.

- Use existing authorities to re-employ annuitants from OPM, the Internal Revenue Service (IRS), the Social Security Administration (SSA), and Veterans Affairs (VA) – agencies that have staff well-versed in claims processing – rather than hiring and training new employees. Experienced employees from these agencies can more readily be brought up to speed and are a temporary and less costly solution to staff shortfalls.
- Repurpose existing information technology. One of the issues that OPM has struggled with over the years has been automation of the retirement processing system. Instead of attempting to create an entirely new system, we encourage you to leverage existing systems and resources and repurpose them for OPM. Agencies that are primarily tasked with processing large amounts of complex data use electronic and automated systems. The IRS allows tax returns to be processed online and VA and SSA also have automated systems to process benefits claims. We suggest OPM explore modifying one of these existing systems to more easily and cost-effectively process retirement claims, rather than building a new system from the ground up. We also wonder if similar existing technology might be found in the private sector with companies in a related field.

As OPM seeks to address the backlog in its annuity processing, we urge you to consider the suggestions above. Further, we welcome the opportunity for regular communications with

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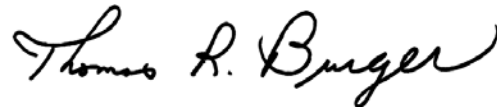
OPM's retirement processing department to share the experiences of our members, provide feedback and suggestions as new processes are implemented, and serve as a conduit of information to our members nearing or going through the retirement process.

We would appreciate an update on how OPM is addressing the retirement backlog, strategies for responding to increased demand, and ways in which we may assist you. Jenny Mattingley with the Professional Managers Association serves as the point of contact for the GMC on this issue and can be reached at jmattingley@shawbrandsford.com. Thank you for your attention to our concerns and your continued commitment to improving the federal workforce.

Sincerely,



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