

Nashville District Human Resources Newsletter "News You Can Use"

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The purpose of this newsletter is to keep Nashville District employees informed about personnel issues, concerns, and topics. You are encouraged to review the information and disseminate to your organization. If there are particular areas of interest that you would like to see addressed in future issues, an article of general interest, or general comments, please contact John Restey at 615-736-5538 or John.G.Restey@lrm02.usace.army.mil.

General News:

"TWO Human Resource Webpages"

There are now two Human Resource Webpages.

The site available on the INTERNET is designed to provide general information to the public. It can be accessed by the public by clicking on "Federal Jobs" on the Nashville District Home Page.

The other webpage is accessible from the Nashville District Home page INTRANET site and has been created specifically for Nashville District Employees. It has links to sites such as the Army Benefit Center, Division regulatory guidance and contains an employment page with all the necessary websites for merit promotion employment with this District.

OPM E-Government Initiative-Recruitment One-Stop Update

Beginning in late spring of this year and continuing through late summer, the USAJOBS Federal Employment Information System will be completely transformed. Immediately upon launch both job seekers and agency users will enjoy a new user interface, greatly improved job searching, and enhanced tools for managing both applications and job

postings. Following on in mid and late-summer releases will be the addition of dramatically improved vacancy announcements, on-line application status tracking, and seamless integration of the job application process with agency automated assessment tools

The transformation of USAJOBS will promote the Federal Government's ability to find the new talent, new energy, and new creativity needed to do the work of the 21st century.

Health And Benefits:

THRIFT SAVINGS PLAN OPEN SEASON

The current Thrift Savings Plan (TSP) Open Season began **April 15 and ends June 30, 2003**. During this open season, employees covered by FERS may elect to contribute to the TSP up to 13% of the basic pay they earn each pay period; employees covered by CSRS may elect to contribute up to 8% of the basic pay they earn each pay period. The TSP open season is your chance to start or change the amount of your contributions to your TSP account. You must make your start or changes through the Army Benefits Center (ABC) either by using the website <https://www.abc.army.mil>, or by calling the toll free number 1-877-276-9287. Many of the TSP publications that are distributed, as well as information on the TSP, website direct you to submit a hard copy TSP Form 1, TSP Election Form, to make your elections, however, the Department of the Army now uses the ABC and does not allow submission of a hard copy form.

You may choose or change your investments in the following ways:

*Contribution allocations - specifies the way in which all new money coming into your account (payroll contributions, loan payments, transfers, and rollovers from other retirement plans) is invested in the funds. It does not affect the investment of your current balance.

*Interfund transfer - redistributes the money already in your account. It does not affect the investment of future contribution.

You may make you contribution allocation or interfold transfer at any time using:

**the TSP website (www.tsp.gov)

**the Thriftline (504-255-8777)

**Form TSP-50, investment allocation

The website and thriftline are the more efficient ways to make your investment allocation. You will need your social security number and your TSP Personal Identification Number (PIN) to make your request. If you are a new participant, you will receive a PIN in the mail after your account is established. Because your PIN is encrypted, if you lose or forget it, you will have to request a new one.

If you are covered by the Federal Employee Retirement System, as soon as you are eligible for agency contributions, your agency will automatically contribute an amount equal to 1% of your basic pay each pay period, whether you contribute or not. If you are

contributing, your agency will match your contributions dollar for dollar on the first 3% you contribute each pay period, and 50 cents on the dollar for the next 2% you contribute. If you were hired from July 1, 2002 to November 30, 2002, your agency contributions will begin on the first full pay period in June 2003. If you were hired from December 1, 2002 through May 31, 2003, your agency contributions will begin on the first full pay period in December 2003.

Beginning in July, if you are age 50 or older, and you are contributing the maximum amount of regular TSP contributions for which you are eligible, you may also elect to make additional "catch-up" contributions up to \$2,000 for 2003. See the TSP website www.tsp.gov for more information, or call your Human Resources generalist.

More TSP information is available to you from the Human Resources Office and on the TSP website. Take advantage of this opportunity to save for your future.

FLEXIBLE SPENDING ACCOUNT (FSA) **PROGRAM**

The Federal Flexible Benefits Plan ("FedFlex") enables eligible employees to pay for certain benefits with pre-tax dollars. The initial FedFlex benefit, Health Benefits Premium Conversion, was implemented in October 2000. Office of Personnel Management (OPM) is now enhancing FedFlex to include a second pre-tax benefit for Flexible Spending Accounts (FSAs) which will be implemented July 1, 2003.

FSA elections made by an employee are completely voluntary and must be made on an annual basis during the open enrollment period for the upcoming plan year. FSAs are not carried over from one plan year to the next. OPM has selected a Kentucky based company SHPS, Inc (SHPS) to serve as the administrator of the new FSA program.

Two FSAs will be offered to eligible employees:

****Health Care FSA (HCFSA)**, through which employees may use pre-tax allotments to pay for certain health care expenses that are not reimbursed by any other source and not claimed on the participant's income tax return. The maximum amount an employee may set aside in any tax year will be \$3,000 and the minimum will be \$250.

****A Dependent Care FSA (DCFSA)**, through which employees may use pre-tax allotments to pay for eligible dependent care expenses. The maximum amount an employee may set aside in any tax year is \$5,000 (\$2,500 if the employee is married and filing a separate income tax return) and a minimum amount of \$250.

Section 125 of the Internal Revenue Code, allows employees to pay for certain health and dependent care expenses with pre-tax dollars. Employees who make an election, and whose payroll provider is able to deduct the allotments will be eligible to receive

reimbursement for covered expenses incurred on or after July 1, will be eligible to receive reimbursement for covered expenses incurred on or after July 1. As with Premium Conversion, employees may choose to make a voluntary allotment from salary to their FSA account; participants do not pay employment or income taxes on these allotments and their employing agencies also avoid paying employment taxes. Employees who voluntarily elect to participate will identify an annual amount of salary to be contributed to their FSA via SHPS will translate these annual elected amounts into pay date allotments and request payroll office to deduct them and remit them for deposit into the employee's account. Employees can draw upon their FSA accounts for reimbursement as they incur eligible expenses.

OPM will conduct an open season for enrollment in the Flexible Spending Account Program (FSA) beginning in mid May and running through June 20, 2003. This will be the first opportunity for most Federal Employees to voluntarily allot pre-tax salary to a HCFSA or DCFSA.

The effective date of the FSA program is July 1, 2003. The initial plan year will end on December 31, 2003. Open enrollment for the first full plan year will take place concurrent with the FEHB open season in November/December of 2003. All future FSA plan years will be January 1 through December 31 and employees must re-enroll each year to be eligible.

SHPS has a dedicated toll-free number for federal employees: 1-877-372-3337 (FSAFEDS) Please note that this number will not be staffed until May 19th. Beginning that day, customer service representatives will be available to answer questions, and assist employees who wish to enroll via the phone.

HCFSA - Expenses that are:

- ***tax-deductible;
- ***related to the diagnosis, treatment or cure of a medical condition, mitigation or prevention of disease that affects any part of function of the body;
- ***are primarily to alleviate or prevent a physical or mental defect or illness;
- ***are not reimbursed by FEHB or any other source;
- ***are incurred by you and/or any dependent you claim on your federal income tax return may be reimbursed under a health care FSA.

DCFSA - If a family member is:

- ***age 13 or younger
- ***a person of any age whom you claim as a dependent on your federal income tax return;
- ***mentally or physically incapable of caring for himself or herself; and
- ***the care is necessary to allow your employee and if married, his or her spouse to work then the dependent care expenses for that family member may be reimbursed.

Enrollment:

There are two ways to enroll during the first open season. First, SHPS is enhancing their very good electronic enrollment system specifically for our program. The enrollment system will let employees know which FSA they are eligible to elect, and Web-based enrollment at www.fsafeds.com will be available 24/7. Employees may also call the toll-free number (1-877-372-3337) and a SHPS customer service rep will complete the enrollment interactively with the employee.

Food For Thought:

"We make a living by what we get, but we make a life by what we give,"
Winston Churchill