

OFFICE OF PERSONNEL MANAGEMENT

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed \$2,500 for official reception and representation expenses; advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, **[\$99,636,000] \$134,404,000**, of which **[\$3,200,000] \$24,000,000** shall remain available until expended for the cost of the governmentwide human resources data network project, and \$2,500,000 shall remain available until expended for the cost of leading the government-wide initiative to modernize federal payroll systems and service delivery; and in addition **[\$115,928,000] \$126,591,000** for administrative expenses, to be transferred from the appropriate trust funds of the Office of Personnel Management without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs, of which **[\$21,777,000] \$27,640,000** shall remain available until expended for the cost of automating the retirement recordkeeping systems: *Provided*, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by sections 8348(a)(1)(B), 8909(g), and 9004(f)(1)(A) and (2)(A) of title 5, United States Code: *Provided further*, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: *Provided further*, That the President's Commission on White House Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during fiscal year **[2002] 2003**, accept donations of money, property, and personal services in connection with the development of a publicity brochure to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission. (*Independent Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

Identification code 24-0100-0-1-805	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
Direct program:			
00.01 Merit systems oversight and effectiveness	22	22	22
00.02 Employment service	28	29	29
00.03 Retirement and insurance service	127	165	139
00.04 Workforce compensation and performance service	8	8	8
00.05 Investigations service	3	3	3
00.06 Workforce relations	5	5	5
00.07 Executive resources	2	3	3
00.08 Administrative services	29	31	61
00.09 Executive and other services	14	15	15
09.01 Reimbursable program	24	24	24
10.00 Total new obligations	262	305	309
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	14	7	.....
22.00 New budget authority (gross)	262	305	309
22.10 Resources available from recoveries of prior year obligations	-6	.....	.....
23.90 Total budgetary resources available for obligation	270	312	309

23.95 Total new obligations	-262	-305	-309
23.98 Unobligated balance expiring or withdrawn	-1	-7	.....
24.40 Unobligated balance carried forward, end of year	7	.....	.....

New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	99	105	134
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	163	200	175
70.00 Total new budget authority (gross)	262	305	309

Change in obligated balances:			
72.40 Obligated balance, start of year	-24	11	11
73.10 Total new obligations	262	305	309
73.20 Total outlays (gross)	-253	-305	-309
73.40 Adjustments in expired accounts (net)	26	.....	.....
73.45 Recoveries of prior year obligations	6	.....	.....
74.10 Change in uncollected customer payments from Federal sources (expired)	-6	.....	.....
74.40 Obligated balance, end of year	11	11	11

Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	251	292	292
86.93 Outlays from discretionary balances	2	13	16
87.00 Total outlays (gross)	253	305	309

Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-163	-200	-175

Net budget authority and outlays:			
89.00 Budget authority	99	105	134
90.00 Outlays	90	105	134

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
89.00 Budget authority	94	100	129
90.00 Outlays	85	100	129

The Office of Personnel Management (OPM) is responsible for personnel management functions which include the following activities:

Merit systems oversight and effectiveness.—This activity includes: (a) evaluating human resources management (HRM) in Federal agencies through various methods, including on-site reviews and special studies; (b) administering classification appeals, Fair Labor Standards Act, and Intergovernmental Personnel programs to ensure that agencies adhere to the statutory requirements; (c) helping agencies develop merit-based HRM accountability systems to support mission accomplishment; (d) assessing the effectiveness of Governmentwide HRM policies and programs and serving as a clearinghouse for best practices; (e) testing and evaluating innovative HRM practices and systems, including demonstration projects under 5 U.S.C. Chapter 47; (f) providing readily accessible statistics on the Federal workforce; (g) providing electronic transfer of other human resources data throughout the Federal sector; and (h) administering parts of the Voting Rights Act of 1965.

Program performance.—The activity's performance measures are designed to assess the value-added outcomes which oversight reviews, accountability and demonstration projects, and workforce information have on the Federal HRM community and employees. Client feedback is solicited on each re-

General and special funds—Continued

SALARIES AND EXPENSES—Continued

(INCLUDING TRANSFER OF TRUST FUNDS)—Continued

view, product, and service. For example, clients rate the overall value of the oversight work as 4.0 or above of a 5-point scale. The quality of data that is provided to clients is regularly assessed, and is used in reviews, studies, and projects. Of each agency's records entered into the Central Personnel Data File, at least 97 percent are correct on all core elements. The Merit System Principles Survey, used to collect employee perceptions of the merit system principles, is content valid and reliable. OPM conducts 15 to 17 nationwide agency oversight reviews each year to ensure compliance with Federal Civil Service merit principles.

Employment Service.—The Employment Service performs core human resources (HR) leadership functions. These functions include developing, implementing, and monitoring employment policies for agencies in the areas of workforce planning, recruiting, selecting, promoting, reassigning, downsizing and reshaping. The Service monitors and reports on governmentwide diversity and veterans efforts, provides technical assistance on a variety of staffing issues, and operates the personnel program for the Administrative Law Judges. Additionally, the Service provides HR best practice information to Federal agencies, offers automated staffing solutions, and operates the Federal job information system USAJOBS. In 2002 and 2003, the Service will focus on improving the Federal hiring process, enhancing the image of the public service, conducting occupational studies of homeland security and executive succession planning, and expanding the Government's ability to recruit, develop, and retain computer security professionals.

Program performance.—The Employment Service establishes annual performance goals and objectives designed to accomplish long-term goals identified in OPM's Strategic Plan. Progress is monitored through a mix of outcome and output measures, including results of oversight reviews, qualitative feedback on the usefulness of policies and information processes, customer satisfaction with services, cost-comparison analyses, workload accomplishment data, and quality and timeliness of information.

The Employment Service provided employment information to over 20.7 million people in 2001 through a nationwide system available 24 hours a day, 7 days a week, by telephone, fax, and internet. USAJOBS averages more than 56,000 visits daily. This is an increase from the previous year and is expected to continue to grow.

The Employment Service conducts a recertification and training program for all agency Delegated Examining Units to ensure that agencies are carrying out their delegated responsibilities in accordance with law and regulation, and accomplished all scheduled recertifications.

In 2001, Employment Service published several regulations such as the Career Intern Interim regulations and final regulations for the Student Loan Repayment program and continued to assist employees with outplacement assistance and selection priority for other jobs. The Service also helped advance the President's Strategic Management of Human Capital initiative by proposing legislation to streamline the hiring process, which was included in the Administration's Managerial Flexibility Act of 2001, and providing technical assistance and tools to help agencies conduct a workforce analysis and develop a restructuring plan.

Retirement and Insurance.—This Activity encompasses administration of Earned Employee Benefits—the retirement and insurance programs—for Federal employees, retired Federal employees, and their families. These programs include the Civil Service Retirement System, the Federal Employees Retirement System, the Federal Employees Group Life Insur-

ance Program, and the Federal Employees and Retired Employees Health Benefits Programs. The Long-Term Care Security Act (P.L. 106-265) authorizes OPM to offer group long term care insurance for Federal employees and retirees, their spouses, parents, and parents-in-law. In addition, this Activity includes OPM's efforts designed to stay abreast of, and respond to, developments in non-Federal fringe benefits practices.

Program performance.—The Retirement Systems Modernization (RSM) Project is OPM's central strategy to meet its long term customer service, financial management and business goals for the Retirement Program. To achieve these strategic goals, OPM will move from a paper-based record keeping system to program-wide electronic data and transactions. The project will be implemented in phases, with full results achieved in 2008. Close coordination with another OPM initiative, the Human Resources Data Network, will minimize the data agencies must send to OPM. OPM is developing universal tools that use electronic data, and has already introduced a prototype Benefits Calculator and a Benefits Booklet for retiring employees. The calculator, used by OPM to process FERS claims, reduced claims processing times by 45 percent. The benefits booklet provides personalized benefits information, contributing to improved customer satisfaction. During FY 2002, OPM will complete two applications that will provide immediate benefits. A Retirement Data Exchange Gateway will allow OPM and agencies to eliminate obsolete technology and reduce the delay some retiring employees experience in receiving their first benefit payment. A Coverage Determination Application will improve the accuracy of retirement coverage decisions made by agencies. During FY 2003, OPM will begin to convert member data, currently stored in paper form at the Retirement Operations Center and at Federal agencies, to electronic media. This will contribute to improved benefits counseling and case development by agencies, reduced benefit claims processing time and elimination of paper record storage and management. In addition, OPM will pilot, with the USPS, a non-HR-DN data capture capability, and will develop web-enabled self-service for retirement benefits, i.e., on line applications. RSM results in more efficient and effective retirement claims processing, record keeping, benefits counseling and financial management. Ninety-three percent of customers reported that they were generally satisfied to very satisfied with OPM's delivery of retirement services. This continues a five-year trend of satisfaction levels in the 90 percent range. In addition, the American Customer Satisfaction Index (ASCI) measured the satisfaction federal retirees and survivor annuitants had with the retirement services delivered, and the level of satisfaction improved from 73 in 2000, to 78 in 2001.

OPM continues to improve its telecommunication services. Toll-free telephone access is provided to all call centers, interactive features are available through the telephone system, and hours of operation have been extended until 8:00 PM.E.S.T. In addition, to better serve customers, OPM has enhanced its ability to meet their needs by adding on-line features for our Spanish-speaking customers, and translating often-used benefits material into Spanish. The volume of telephone inquiries handled increased by 8 percent during FY 2001. Customer satisfaction levels regarding the courtesy, clarity, and timeliness of telephone services remain high at 90 percent.

The volume of new annuity claims remained steady. OPM has received and processed an average of 170,000 Civil Service and Federal Employees Retirement Systems annuity and survivor claims annually over the past 5 years. The average processing time for interim annuity payments in 2001 was reduced from 5 days to 3 days. More than 48% of interim payments were authorized within one day. The time needed to calculate and begin paying retirees their final annuity was

reduced by more than 30% from an average of 115 days in 2000 to 78 days in 2001. OPM increased its claims processing capacity and efficiency through the use of enhanced technical platforms. Customer satisfaction with the timeliness of the first annuity payment has remained at or near 80 percent since FY 1997 and is much improved over the 73 percent observed in FY 1995.

OPM also maintained its leadership in the direct deposit program, an efficient means of ensuring that customers receive their annuity payment each month. Customer satisfaction levels with receipt of annuity checks are at 97 percent, continuing another long-standing trend. During 1998, OPM implemented a direct mail campaign to inform annuitants and survivors of the convenience and desirability of direct deposit. As a result, participation rose from 79 percent at the start of 1998, to nearly 93 percent today. OPM will expand the direct deposit program to our overseas customers by participating in the International Direct Deposit Program beginning mid-FY 2002.

The FEHBP continues to be a hallmark for employer sponsored health insurance programs. To maintain this recognition, OPM will ensure that customers are enrolled in highly rated health plans that deliver quality care in a cost-effective manner. During FY 2003, OPM will continue to address patient safety, collaborating with others in the health care industry to develop the "Five Steps to Patient Safety." These "Steps" have been widely adopted both in and out of Government. Participating health plans have already adopted some patient safety initiatives and are working with participating providers to articulate and disseminate information about the safety initiatives that they have put in practice. Health plans have also updated provider directories, where appropriate, to inform their membership of important safety measures. These initiatives include such practices as the use of automated entry systems for prescription drugs, referring patients to recognized Centers of Excellence, and staffing appropriately for Intensive Care Units. Other consumer protections and quality initiatives now provided by FEHBP plans include, but are not limited to: transitional care for those with chronic or disabling conditions; the right to review medical records and to correct inaccurate ones; and direct access to women's health care providers.

OPM continues to build and maintain strong relationships with the National Committee for Quality Assurance (NCQA), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), the National Quality Forum, the Quality Interagency Coordination (QuIC) Taskforce, the Washington Business Group on Health, the Leapfrog Group, the Health Care Financing Administration and other components of the Department of Health and Human Services. These partnerships have been instrumental in promoting the use of health care quality outcome measures by the Federal government and health care purchasers and providers throughout the nation.

OPM is taking initial steps to standardize and centralize data on health plan performance in a data repository. This will enable staff to more easily analyze the information, begin benchmarking, and provide feedback to plans for quality improvement.

The Long Term Care Security Act, which was passed in FY 2000, authorizes OPM to offer long term care insurance to approximately 20 million people by October 2002. OPM plans to offer a flexible long term care product, including provisions for nursing home care, assisted living, home health care and adult day care. Insurance will be offered to civil service, postal and uniformed services personnel, government retirees and specified relatives, such as spouses, parents, in-laws and stepparents. OPM estimates that 300,000 to 600,000 individuals will enroll during the first sign-up period in FY 2003. Enrollees will pay the full cost of insurance premiums

at group rates that are expected to be lower than rates for comparable coverage sold privately on an individual basis. OPM will draft regulations for the new program and will oversee an education campaign to explain long-term care options to employees and retirees. OPM will assure that consumer materials and guidance are readily accessible to help individuals make informed choices about purchasing the long-term care product(s) that will be available to them.

In late FY 2000, legislation was enacted to provide relief to employees who were placed in the wrong retirement system. The Federal Erroneous Retirement Coverage Corrections Act (FERCCA) allows most of these employees a choice in retirement plans. OPM's implementation strategy is to provide a consistent high level of customer service to everyone who is eligible for relief so that affected individuals can make informed decisions. OPM developed a web page at www.opm.gov/benefits/correction with information about the Act. To date, about 6,300 affected individuals have been registered in our database. OPM began the review of records to determine eligibility in September 2001 and affected individuals will receive counseling beginning January 2002. The process of identifying affected individuals and providing counseling services is expected to be completed by the end of 2002.

Workforce compensation and performance.—This activity includes; (a) developing and implementing pay and leave administration policy and evaluating the effectiveness of alternative compensation systems; (b) developing classification policies and systems and designing flexible alternatives to current systems; and (c) developing Governmentwide policy concerning performance management.

Program performance.—The workforce compensation and performance program area uses a variety of measures to identify its level of success. Overall customer service is measured through OPM's Customer Satisfaction Survey, surveys of attendees at conferences, workshops, and/or seminars, and feedback from users of our website and email. The 2000 HR Directors' Customer Satisfaction Survey showed that the percentage of human resources directors who were satisfied with policy leadership in WCPS program areas were as follows; 87 percent in pay and leave administration, 78 percent in performance management, 68 percent in position classification and position management, and 62 percent in the Federal Wage System. In 2001 the organization staged the second Strategic Compensation Conference. On a five-point scale, the average overall rating of the Conference was 4.33, an increase from 4.14 for the 1999 Conference, and 4.23 for the 2000 Conference. The overall improvement in perception of outcomes in WCPS program areas is demonstrated by the increase in positive responses in a national survey of more than 20,000 Federal employees. Favorable responses increased in one year from 26 percent to 31 percent on the question "are you clear about how good performance is defined in your organization?" On the issue "recognition and rewards are based on merit," positive responses increased from 30 to 34 percent.

Investigations.—This activity focuses on assuring applicant and appointee fitness and suitability, and oversight of the investigative contract company.

Workforce relations.—This activity includes: (a) developing governmentwide policies, issuing guidance, and providing assistance to agencies on employee relations issues, including actions based on misconduct and unacceptable performance, as well as alternative dispute resolution; (b) Promoting and supporting Federal work/life and wellness programs; (c) providing leadership and policy guidance in support of agency human resource development programs and training initiatives; and (d) providing guidance, information, and assistance to agencies on collective bargaining and labor-management

General and special funds—Continued

SALARIES AND EXPENSES—Continued

(INCLUDING TRANSFER OF TRUST FUNDS)—Continued

relations to help them develop effective labor relations programs.

Program performance.—OPM’s workforce relations performance measures are designed to determine the value added by OPM’s policy leadership and guidance on employee and labor-management relations issues, work/life programs, and human resource development programs. The Office of Workforce Relations (OWR) uses a variety of measures to identify its level of success. For instance, surveys at regular intervals assess the extent to which our customers feel that their needs are met by OWR products and services such as printed and electronic materials, conferences, seminars, and workshops, as well as by legislative and regulatory proposals coming from OWR.

Executive resources.—This activity provides Government-wide program leadership, policy direction and technical assistance on all aspects of the Senior Executive Service personnel system and comparable executive systems.

Administrative services.—This activity includes: OPM personnel and equal employment opportunity, security, facilities, telecommunications, publishing, acquisitions, and information resources management to support all OPM programs.

Executive and other services.—This activity includes: executive direction, policy development, legal advice and representation, public affairs, legislative activities, financial management, and the operating expenses of the President’s Commission on White House Fellows.

Reimbursable programs.—OPM performs reimbursable work at the request of other agencies. OPM also provides administrative, information resources management, and executive services to other OPM accounts on a reimbursable basis.

Object Classification (in millions of dollars)

Identification code 24-0100-0-1-805	2001 actual	2002 est.	2003 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	106	109	111
11.3 Other than full-time permanent	5	5	5
11.5 Other personnel compensation	4	4	4
11.9 Total personnel compensation	115	118	120
12.1 Civilian personnel benefits	35	37	38
21.0 Travel and transportation of persons	3	3	3
23.1 Rental payments to GSA	17	17	17
23.3 Communications, utilities, and miscellaneous charges	10	10	10
24.0 Printing and reproduction	2	2	2
25.2 Other services	47	85	86
26.0 Supplies and materials	3	3	3
31.0 Equipment	5	5	5
99.0 Direct obligations	237	280	284
99.0 Reimbursable obligations	25	25	25
99.9 Total new obligations	262	305	309

Personnel Summary

Identification code 24-0100-0-1-805	2001 actual	2002 est.	2003 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	1,922	2,067	2,028
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	130	141	141

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act, as amended, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, **[\$1,498,000] \$1,498,000**; and in addition, not to exceed **[\$10,016,000] \$11,366,000** for administrative expenses to audit, investigate, and provide other oversight of the Office of Personnel Management’s retirement and insurance programs, to be transferred from the appropriate trust funds of the Office of Personnel Management, as determined by the Inspector General: *Provided*, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere. (*Independent Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

Identification code 24-0400-0-1-805	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
10.00 Total new obligations	12	12	12
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	12	12	12
23.95 Total new obligations	-12	-12	-12
New budget authority (gross), detail:			
Discretionary:			
40.00 Appropriation	1	1	1
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	11	11	11
70.00 Total new budget authority (gross)	12	12	12
Change in obligated balances:			
72.40 Obligated balance, start of year	-2	-6	
73.10 Total new obligations	12	12	12
73.20 Total outlays (gross)	-12	-12	-12
74.10 Change in uncollected customer payments from Federal sources (expired)	-4	6	
74.40 Obligated balance, end of year	-6		
Outlays (gross), detail:			
86.90 Outlays from new discretionary authority	12	12	12
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-11	-11	-11
Net budget authority and outlays:			
89.00 Budget authority	1	1	1
90.00 Outlays	3	1	

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
89.00 Budget authority	1	1	1
90.00 Outlays	3	1	1

This appropriation provides agency-wide audit, investigative, evaluation, inspection, and administrative sanction functions to identify management and administrative deficiencies that may create conditions for fraud, waste, and mismanagement. The audits function provides internal agency audit, insurance audit, contract audit, and information systems audit services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters regarding the negotiation, award, administration, repricing, and settlement of contracts. Internal agency audits review and evaluate all facets of agency operations, including financial statements. Insurance audits review the operations of health and life insurance carriers, health care providers, and insurance subscribers. Information systems audits review

both general controls and application controls for the agency's systems and programs. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations. Administrative sanctions debar from participation in the health insurance program those health care providers whose conduct may pose a threat to the financial integrity of the program itself or to the well-being of insurance program enrollees. These Inspector General activities resulted in positive financial impacts of approximately \$242 million, 22 criminal convictions, and 4,032 administrative sanctions in 2001.

Object Classification (in millions of dollars)

Identification code 24-0400-0-1-805	2001 actual	2002 est.	2003 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	6	6	6
12.1 Civilian personnel benefits	3	3	3
23.1 Rental payments to GSA	1	1	1
25.2 Other services	1	1	1
99.0 Direct obligations	11	11	11
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	12	12	12

Personnel Summary

Identification code 24-0400-0-1-805	2001 actual	2002 est.	2003 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	92	106	106
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment		1	1

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

For payment of Government contributions with respect to retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849), as amended, such sums as may be necessary. (*Independent Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

Identification code 24-0206-0-1-551	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Government contribution for annuitants benefits (1959 Act)	5,528	6,127	11,026
00.02 Government contribution for annuitants benefits (1960 Act)	2	2	2
10.00 Total new obligations (object class 13.0)	5,530	6,129	11,028
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	5,530	6,129	11,028
23.95 Total new obligations	-5,530	-6,129	-11,028
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	5,530	6,129	11,028
Change in obligated balances:			
72.40 Obligated balance, start of year	437	551	596
73.10 Total new obligations	5,530	6,129	11,028
73.20 Total outlays (gross)	-5,417	-6,083	-11,624
74.40 Obligated balance, end of year	551	596	
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	4,980	5,533	10,418
86.98 Outlays from mandatory balances	437	551	1,206
87.00 Total outlays (gross)	5,417	6,083	11,624
Net budget authority and outlays:			
89.00 Budget authority	5,530	6,129	11,028

90.00 Outlays	5,417	6,083	11,624
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Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
89.00 Budget authority	5,530	6,129	6,613
90.00 Outlays	5,417	6,083	6,599

For 2001 and 2002, this appropriation covers: (1) the Government's share of the cost of health insurance for annuitants as defined in sections 8901 and 8906 of title 5, United States Code; (2) the Government's share of the cost of health insurance for annuitants (who were retired when the Federal employees health benefits law became effective), as defined in the Retired Federal Employees Health Benefits Act of 1960; and (3) the Government's contribution for payment of administrative expenses incurred by the Office of Personnel Management in administration of the Act.

The budget authority for this account recognizes the amounts being remitted by the U.S. Postal Service (USPS) to finance a portion of its post-1971 annuitants' health benefit costs.

For 2003, this appropriation covers the annual appropriations necessary to provide for the liquidation of the Government's unfunded liability as of September 30, 2001, for post-retirement health benefits, as part of the "Accrual Funding of Post-retirement Health Benefits Costs for Federal Employees" subtitle in the President's Managerial Flexibility Act.

The Act would require OPM to determine the current liability of the Government for post-retirement costs under FEHB, excluding the Postal Service liability for post-June 30, 1971, for the period prior to enactment. OPM would then establish an amortization schedule to liquidate the liability over 40 years beginning in fiscal year 2003 and continuing through 2042. In addition, the Act would require OPM to determine the supplemental unfunded liability of the Fund as of the close of each fiscal year for fiscal years beginning after September 30, 2001, and provide for liquidation of such liability over the succeeding 30 years. This would provide for liquidation of any unfunded liability that may accrue after enactment.

	2001 actual	2002 est.	2003 est.
Annuitants:			
FEHB	1,875,912	1,923,000	1,948,000
(USPS non-add)	432,561	418,000	416,000
REHB	3,598	2,980	2,480
Total, annuitants	1,879,510	1,925,980	1,950,480

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

For payment of Government contributions with respect to employees retiring after December 31, 1989, as required by chapter 87 of title 5, United States Code, such sums as may be necessary. (*Independent Agencies Appropriations Act, 2002.*)

Program and Financing (in millions of dollars)

Identification code 24-0500-0-1-602	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
10.00 Total new obligations (object class 25.2)	32	34	34
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	32	34	34
23.95 Total new obligations	-32	-34	-34

General and special funds—Continued

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 24-0500-0-1-602	2001 actual	2002 est.	2003 est.
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	32	34	34
Change in obligated balances:			
72.40 Obligated balance, start of year	3	3	3
73.10 Total new obligations	32	34	34
73.20 Total outlays (gross)	-32	-34	-34
74.40 Obligated balance, end of year	3	3	3
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	29	31	31
86.98 Outlays from mandatory balances	3	3	3
87.00 Total outlays (gross)	32	34	34
Net budget authority and outlays:			
89.00 Budget authority	32	34	34
90.00 Outlays	31	34	34

This appropriation finances the Government's share of premiums, which is one-third the cost, for Basic life insurance for annuitants retiring after December 31, 1989, and who are less than 65 years old.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authorized by 5 U.S.C. 8348, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, such sums as may be necessary: *Provided*, That annuities authorized by the Act of May 29, 1944, as amended, and the Act of August 19, 1950, as amended (33 U.S.C. 771-775), may hereafter be paid out of the Civil Service Retirement and Disability Fund. (*Independent Agencies Appropriations Act, 2002; additional authorizing legislation required.*)

Program and Financing (in millions of dollars)

Identification code 24-0200-0-1-805	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.02 Payment of Government share of retirement costs	9,236	9,455	16,340
00.03 Transfers for interest on unfunded liability and payment of military service annuities	12,338	12,619	12,995
00.05 Spouse equity payment	65	65	65
10.00 Total new obligations	21,639	22,139	29,400
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	21,639	22,139	29,400
23.95 Total new obligations	-21,639	-22,139	-29,400
New budget authority (gross), detail:			
Mandatory:			
Appropriation:			
60.00 Appropriation	12,338	12,619	19,990
60.00 Appropriation	9,301	9,520	9,410
62.50 Appropriation (total mandatory)	21,639	22,139	29,400
Change in obligated balances:			
73.10 Total new obligations	21,639	22,139	29,400
73.20 Total outlays (gross)	-21,639	-22,139	-29,400
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	21,639	22,139	29,400
Net budget authority and outlays:			
89.00 Budget authority	21,639	22,139	29,400
90.00 Outlays	21,639	22,139	29,400

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
89.00 Budget authority	21,639	22,139	22,405
90.00 Outlays	21,639	22,139	22,405

Payment of Government share of retirement costs.—In 2001 and 2002, this payment amortizes increases in the static unfunded liability created since October 20, 1969 by any statute which authorizes new or liberalized benefits, an extension of retirement coverage, or pay increases. Beginning in 2003, this payment would liquidate the current unfunded liability by 2042, as provided by the "Accrual Funding of Pensions and Retirement Pay" subtitle of the President's Managerial Flexibility Act.

The Act would require OPM to determine, as of September 30, 2001, the unfunded liability that is attributable to benefits payable under chapter 83 of Title 5 U.S.C., and to determine an appropriate amortization schedule, providing for the liquidation of that liability by October 1, 2041.

Transfers for interest on unfunded liability and payment of military service annuities.—In 2001 and 2002, this transfer covers interest on the static unfunded liability and annuity disbursements attributable to military service. In 2003, these transfers would be eliminated and replaced by the annual payment to liquidate the unfunded liability as discussed above.

Payments for spouse equity.—This payment provides survivor annuities to eligible former spouses of annuitants who died between September 1978 and May 1986 and who did not elect survivor coverage.

Object Classification (in millions of dollars)

Identification code 24-0200-0-1-805	2001 actual	2002 est.	2003 est.
12.1 Civilian personnel benefits	9,301	9,520	16,405
13.0 Benefits for former personnel	12,338	12,619	12,995
99.9 Total new obligations	21,639	22,139	29,400

EMPLOYEES HEALTH BENEFITS FUND

Unavailable Collections (in millions of dollars)

Identification code 24-5002-0-2-551	2001 actual	2002 est.	2003 est.
01.99 Balance, start of year			
Receipts:			
02.00 DC Government contributions			88
02.20 Employee contributions			3,786
02.21 Annuitant contributions			3,459
02.22 Postal Service annuitant contributions			1,019
02.40 General fund payment			11,622
02.41 Agency contributions			12,387
02.42 Postal Service agency contributions			4,017
02.43 Interest			772
02.99 Total receipts and collections			37,150
Appropriations:			
05.00 Employees health benefits fund			-25,454
05.99 Total appropriations			-25,454
07.99 Balance, end of year			11,696

Program and Financing (in millions of dollars)

Identification code 24-5002-0-2-551	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Benefit payments			25,181
00.02 Payments from OPM contingency reserve			250
00.03 Administration			24

10.00	Total new obligations	25,454
Budgetary resources available for obligation:		
21.40	Unobligated balance carried forward, start of year	4,936
22.00	New budget authority (gross)	25,454
23.90	Total budgetary resources available for obligation	30,390
23.95	Total new obligations	-25,454
24.40	Unobligated balance carried forward, end of year	4,936
New budget authority (gross), detail:		
Discretionary:		
40.20	Appropriation (special fund)	24
Mandatory:		
60.20	Appropriation (special fund)	37,126
60.45	Portion precluded from obligation	-11,696
62.50	Appropriation (total mandatory)	25,430
70.00	Total new budget authority (gross)	25,454
Change in obligated balances:		
72.40	Obligated balance, start of year	2,339
73.10	Total new obligations	25,454
73.20	Total outlays (gross)	-25,351
74.40	Obligated balance, end of year	2,442
Outlays (gross), detail:		
86.90	Outlays from new discretionary authority	24
86.97	Outlays from new mandatory authority	21,984
86.98	Outlays from mandatory balances	3,343
87.00	Total outlays (gross)	25,351
Net budget authority and outlays:		
89.00	Budget authority	25,454
90.00	Outlays	25,351
Memorandum (non-add) entries:		
92.01	Total investments, start of year: Federal securities: Par value	7,293
92.02	Total investments, end of year: Federal securities: Par value	19,091

This presentation displays the new Employees Health Benefits Fund. In addition to the existing components of the current Employees Health Benefits Fund, this new Special Fund incorporates the proposed requirement for each agency to fund the accruing actuarial cost of Government contributions for post-retirement health benefits for its current participating employees. This new presentation is consistent with the "Accrual Funding of Post-retirement Health Benefits Costs for Federal Employees" subtitle in the President's Managerial Flexibility Act.

The additional agency contributions to pre-fund the cost of post-retirement health benefits for current employees would come from the appropriations or fund used to pay the participant's salary. For 2003, these additional agency contributions would be approximately \$5.6 billion. The lines in these schedules labeled "agency contributions" reflect both this additional contribution and the standard agency contribution toward the payment of annual premiums. The practice of using cash accounting to fund the Postal Service liability attributable to civilian service performed after June 30, 1971, under title 5 U.S.C. 8906(g)(2) would remain unchanged under this proposal.

For additional information on the Employees Health Benefits Fund, please see the presentation of the Employees and Retired Employees Health Benefits Funds located at the end of this OPM chapter.

Status of Funds (in millions of dollars)

Identification code 24-5002-0-2-551	2001 actual	2002 est.	2003 est.
Unexpended balance, start of year:			
0100	Uninvested balance		5
U.S. Securities:			
0101	Par value		7,293
0102	Unrealized discounts		-23

0199	Total balance, start of year	7,275
Cash income during the year:		
Current law:		
Receipts:		
1200	DC Government contributions, Employees health benefits fund	88
Offsetting receipts (proprietary):		
1220	Employee contributions, Employees health benefits fund	3,786
1221	Annuitant contributions, Employees health benefits fund	3,459
1222	Postal Service agency contributions for annuitants, Employees health benefits fund	1,019
Offsetting receipts (intragovernmental):		
1240	General fund payment, Employees health benefits fund	11,622
1241	Agency contributions, Employees health benefits fund	12,387
1242	Postal Service agency contributions for employees, Employees health benefits fund	4,017
1243	Interest, Employees health benefits fund	772
1299	Income under present law	37,150
Cash outgo during year:		
Current law:		
4500	Employees health benefits fund	-25,351
Unexpended balance, end of year:		
8700	Uninvested balance	5
Federal securities:		
8701	Par value	19,091
8702	Unrealized discounts	-23
8799	Total balance, end of year	19,074

Intragovernmental funds:

REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 24-4571-0-4-805	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
09.01	DOD testing	7	8
09.02	Employment service	35	40
09.03	Investigations	229	262
09.04	Workforce relations	35	39
09.05	Executive resources	30	32
10.00	Total new obligations	336	381
356			
Budgetary resources available for obligation:			
21.40	Unobligated balance carried forward, start of year	48	33
22.00	New budget authority (gross)	320	381
336			
23.90	Total budgetary resources available for obligation	368	414
23.95	Total new obligations	-336	-381
24.40	Unobligated balance carried forward, end of year	33	33
33			
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
Discretionary:			
68.00	Offsetting collections (cash)	353	381
68.10	Change in uncollected customer payments from Federal sources (unexpired)	-33	
68.90	Spending authority from offsetting collections (total discretionary)	320	381
320			
Change in obligated balances:			
72.40	Obligated balance, start of year	13	1
73.10	Total new obligations	336	381
73.20	Total outlays (gross)	-380	-381
74.00	Change in uncollected customer payments from Federal sources (unexpired)	33	
74.40	Obligated balance, end of year	1	1
1			
Outlays (gross), detail:			
86.90	Outlays from new discretionary authority	320	381
86.93	Outlays from discretionary balances	60	
380			
87.00	Total outlays (gross)	380	381
380			
Offsets:			
Against gross budget authority and outlays:			
88.00	Offsetting collections (cash) from: Federal sources	-353	-381
-353			

Intragovernmental funds—Continued

REVOLVING FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 24-4571-0-4-805	2001 actual	2002 est.	2003 est.
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	33		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	27		

DOD testing.—OPM conducts military entrance exams for the Department of Defense (DOD) as a cost-effective and reliable provider. The Employment Service continued to provide testing for the Department of Defense in FY 2001, conducting approximately 14,509 student test sessions and 24,112 enlistment sessions.

Employment service.—OPM delivers employment information, examining services, automated staffing, and related human resource management services to Federal agencies nationwide. In 2001, we maintained contracts for a wide array of human resource products and services with the Executive, Legislative, and Judicial branches.

Investigations.—Through a contract with a private company, OPM conducts National Agency Check and Inquiry cases and background security investigations for Federal agencies on a reimbursable basis. To the extent that OPM is required to pay a fee to the Federal Bureau of Investigation for name and fingerprint checks, agencies are required to reimburse OPM for such fees through the revolving fund.

Workforce relations.—Through the Training and Management Assistance (TMA) program, OPM provides assistance to government agencies in managing the development of training and human resources management solutions that meet their specific short-term and long-range objectives. This is accomplished through an expedited contracting process, which is managed by an experienced team of HR and contracting professionals.

Program performance.—The TMA performance indicators are designed to measure the financial stability of the program and customer satisfaction. The financial indicator measures if program costs are met. The customer satisfaction indicator assures that TMA services are meeting the needs and objectives of client agencies.

Executive resources.—OPM conducts residential and non-residential programs for Federal executives and managers to improve the effectiveness and efficiency of Federal programs.

WORKLOAD COUNT

	2001 actual	2002 est.	2003 est.
Participant training days	95,377	100,568	103,980
Background security investigations processed	74,096	86,000	74,250
National and special agency check and inquiry cases	745,944	1,500,000	1,115,000

Object Classification (in millions of dollars)

Identification code 24-4571-0-4-805	2001 actual	2002 est.	2003 est.
Personnel compensation:			
11.1 Full-time permanent	21	22	23
11.3 Other than full-time permanent	5	5	5
11.5 Other personnel compensation	2	2	2
11.9 Total personnel compensation	28	29	30
12.1 Civilian personnel benefits	10	11	13
21.0 Travel and transportation of persons	2	3	3
23.1 Rental payments to GSA	7	7	7
23.3 Communications, utilities, and miscellaneous charges	5	5	5
24.0 Printing and reproduction	1	1	1
25.2 Other services	272	308	275
26.0 Supplies and materials	4	7	10
31.0 Equipment	7	10	12

99.9 Total new obligations	336	381	356
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Personnel Summary

Identification code 24-4571-0-4-805	2001 actual	2002 est.	2003 est.
2001 Total compensable workyears: Full-time equivalent employment	652	669	669

Trust Funds

CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Unavailable Collections (in millions of dollars)

Identification code 24-8135-0-7-602	2001 actual	2002 est.	2003 est.
01.99 Balance, start of year	508,104	538,520	568,608
Receipts:			
02.00 Employee contributions	4,157	4,041	3,998
02.01 District of Columbia contributions	66	62	50
02.02 Employee deposits, redeposits and other contributions	436	456	476
02.40 Agency contributions	10,072	10,612	14,233
02.41 Postal Service agency contributions	2,845	2,938	3,031
02.42 Postal Service supplemental contributions	3,755	3,842	3,901
02.43 Federal Financing Bank interest	1,342	1,338	1,338
02.44 Treasury interest	33,611	34,712	37,041
02.45 General fund payment to the Civil Service Retirement and Disability fund	21,639	22,139	29,400
02.46 Re-employed annuitants salary offset	26	27	27
02.99 Total receipts and collections	77,949	80,167	93,495
04.00 Total: Balances and collections	586,053	618,687	662,103
Appropriations:			
Appropriations:			
05.00 Civil service retirement and disability fund	-47,533	-50,079	-52,849
05.00 Proposed legislation, subject to PAYGO			-3
05.99 Total appropriations	-47,533	-50,079	-52,852
07.99 Balance, end of year	538,520	568,608	609,251

Program and Financing (in millions of dollars)

Identification code 24-8135-0-7-602	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Annuities	47,101	49,637	52,406
00.02 Refunds and death claims	322	311	309
00.03 OPM Administration	108	128	131
00.04 Transfer to MSPB	2	3	3
10.00 Total new obligations	47,533	50,079	52,849
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	47,533	50,079	52,849
23.95 Total new obligations	-47,533	-50,079	-52,849

New budget authority (gross), detail:

Discretionary:			
40.26 Appropriation (trust fund)	86	103	108
Mandatory:			
60.26 Appropriation (trust fund)	77,863	80,064	82,211
60.45 Portion precluded from obligation	-30,416	-30,088	-29,470
62.50 Appropriation (total mandatory)	47,447	49,976	52,741
70.00 Total new budget authority (gross)	47,533	50,079	52,849

Change in obligated balances:

72.40 Obligated balance, start of year	3,943	4,119	4,356
73.10 Total new obligations	47,533	50,079	52,849
73.20 Total outlays (gross)	-47,356	-49,840	-52,619
74.40 Obligated balance, end of year	4,119	4,356	4,586

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	86	103	108
86.97 Outlays from new mandatory authority	43,328	45,383	47,926
86.98 Outlays from mandatory balances	3,942	4,356	4,586
87.00 Total outlays (gross)	47,356	49,840	52,619

Net budget authority and outlays:				
89.00	Budget authority	47,533	50,079	52,849
90.00	Outlays	47,356	49,840	52,619
Memorandum (non-add) entries:				
92.01	Total investments, start of year: Federal securities: Par value	512,038	542,611	572,962
92.02	Total investments, end of year: Federal securities: Par value	542,611	572,962	613,833

Summary of Budget Authority and Outlays

(in millions of dollars)

Enacted/requested:	2001 actual	2002 est.	2003 est.
Budget Authority	47,533	50,079	52,849
Outlays	47,356	49,842	52,620
Legislative proposal, subject to PAYGO:			
Budget Authority			3
Outlays			3
Total:			
Budget Authority	47,533	50,079	52,852
Outlays	47,356	49,842	52,623

This fund: (1) pays annuities to retired employees or their survivors; (2) makes refunds to separated employees for amounts withheld and to beneficiaries of employees who died before retirement or before annuities equaled the amount withheld; and (3) pays expenses of the Office of Personnel Management and the Merit Systems Protection Board for administering the program. The fund covers two Federal civilian retirement systems: the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS).

CSRS is basically a defined benefit plan, covering Federal employees hired prior to 1984. CSRS participants do not participate in the Social Security system. FERS is a three-tiered pension program that uses Social Security as a base, provides an additional basic benefit, and includes a thrift savings plan. FERS covers employees hired after 1983 and formerly CSRS-covered employees who elected to join FERS.

For CSRS employees in 2003, as provided by the "Accrual Funding of Pensions and Retirement Pay" subtitle of the President's Managerial Flexibility Act, agencies would contribute the full accruing cost of pension benefits.

	2001 actual	2002 est.	2003 est.
Active employees	2,655,450	2,654,477	2,653,597
Annuitants:			
Employees	1,745,637	1,770,761	1,807,542
Survivors	634,116	640,420	647,180
Total, annuitants	2,379,753	2,411,181	2,454,722

Status of Funds (in millions of dollars)

Identification code 24-8135-0-7-602	2001 actual	2002 est.	2003 est.
Unexpended balance, start of year:			
0100 Treasury balance	11	31	8
U.S. Securities:			
0101 Par value	512,041	542,611	572,962
0102 Unrealized discounts	-3	-3	-4
0199 Total balance, start of year	512,047	542,639	572,964
Cash income during the year:			
Current law:			
Receipts:			
1200 Employee contributions, Civil Service Retirement and Disability Fund	4,157	4,041	3,998
1201 District of Columbia contributions	66	62	50
1202 Employee deposits, redeposits, and voluntary contributions	436	456	476
Offsetting receipts (intragovernmental):			
1240 Agency contributions, Civil Service Retirement and Disability Fund	10,072	10,612	14,233
1241 Postal Service agency contributions, Civil Service Retirement and Disability Fund	2,845	2,938	3,031
1242 Postal Service supplemental contributions, Civil Service Retirement and Disability Fund	3,755	3,842	3,901
1243 Federal Financing Bank interest, Civil Service Retirement and Disability Fund	1,342	1,338	1,338

1244 Treasury interest, Civil Service Retirement and Disability Fund	33,611	34,712	37,041
1245 General fund payment to the Civil Service Retirement and Disability Fund	21,639	22,139	29,400
1246 Re-employed annuitant salary offset, Civil Service Retirement and Disability Fund	26	27	27
1299 Income under present law	77,949	80,167	93,495
Cash outgo during year:			
Current law:			
Cash outgo during the year (-):			
4500 Payment of claims to retired employees	-39,397	-41,538	-43,963
4500 Payment of alternative annuity refunds	-6	-4	-4
4500 Payment of claims to survivor annuitants	-7,533	-7,859	-8,209
4500 Lump sum payments to estates or beneficiaries of deceased annuitants and employees	-145	-154	-164
4500 Refunds to living separated employees	-170	-156	-145
4500 Administration	-107	-131	-134
4599 Outgo under current law (-)	-47,356	-49,840	-52,619
Proposed legislation:			
5500 Proposed legislation, subject to PAYGO			-3
6599 Total cash outgo (-)	-47,356	-49,840	-52,622
Unexpended balance, end of year:			
8700 Uninvested balance	31	8	8
Federal securities:			
8701 Par value	542,611	572,962	613,833
8702 Unrealized discounts	-3	-4	-4
8799 Total balance, end of year	542,639	572,964	613,837

Object Classification (in millions of dollars)

Identification code 24-8135-0-7-602	2001 actual	2002 est.	2003 est.
25.2 Other services	110	131	134
42.0 Insurance claims and indemnities	47,101	49,637	52,406
44.0 Refunds and death claims	322	311	309
99.9 Total new obligations	47,533	50,079	52,849

CIVIL SERVICE RETIREMENT AND DISABILITY FUND

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 24-8135-4-7-602	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
00.01 Annuities			3
10.00 Total new obligations (object class 42.0)			3
Budgetary resources available for obligation:			
22.00 New budget authority (gross)			3
23.95 Total new obligations			-3

New budget authority (gross), detail:

Mandatory:			
60.26 Appropriation (trust fund)			3

Change in obligated balances:

73.10 Total new obligations			3
73.20 Total outlays (gross)			-3

Outlays (gross), detail:

86.97 Outlays from new mandatory authority			3
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Net budget authority and outlays:

89.00 Budget authority			3
90.00 Outlays			3

The Administration has proposed legislation to simplify the computation of annuities under the Civil Service Retirement System for individuals with part-time service. The change would eliminate an unintended adverse effect on employees who perform part-time service at the end of their careers, and provide agencies increased flexibility to recruit and retain personnel.

EMPLOYEES LIFE INSURANCE FUND

Unavailable Collections (in millions of dollars)

Identification code 24-8424-0-8-602	2001 actual	2002 est.	2003 est.
01.99 Balance, start of year			
Receipts:			
02.80 Employees life insurance fund, offsetting collections	3,384	3,407	3,486
Appropriations:			
05.00 Employees life insurance fund	-3,384	-3,407	-3,486
05.99 Total appropriations	-3,384	-3,407	-3,486
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 24-8424-0-8-602	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
09.01 Regular program premiums	1,276	1,401	1,426
09.02 Optional program premiums	837	939	1,028
09.03 Beneficial program premiums	1	2	2
09.04 Administration	2	2	2
09.05 Long Term Care Administration	2	20	1
10.00 Total new obligations (object class 25.2)	2,118	2,364	2,459
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	21,852	23,133	24,210
22.00 New budget authority (gross)	3,400	3,441	3,483
23.90 Total budgetary resources available for obligation	25,252	26,574	27,693
23.95 Total new obligations	-2,118	-2,364	-2,459
24.40 Unobligated balance carried forward, end of year	23,133	24,210	25,234

New budget authority (gross), detail:

Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	2	2	2
Mandatory:			
69.00 Offsetting collections (cash)	3,382	3,405	3,484
69.10 Change in uncollected customer payments from Federal sources (unexpired)	16	34	-3
69.90 Spending authority from offsetting collections (total mandatory)	3,398	3,439	3,481
70.00 Total new budget authority (gross)	3,400	3,441	3,483

Change in obligated balances:

72.40 Obligated balance, start of year	111	132	196
73.10 Total new obligations	2,118	2,364	2,459
73.20 Total outlays (gross)	-2,081	-2,266	-2,433
74.00 Change in uncollected customer payments from Federal sources (unexpired)	-16	-34	3
74.40 Obligated balance, end of year	132	196	225

Outlays (gross), detail:

86.90 Outlays from new discretionary authority	2	2	2
86.97 Outlays from new mandatory authority	2,079	2,264	2,431
87.00 Total outlays (gross)	2,081	2,266	2,433

Offsets:

Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Agency contributions	-409	-443	-459
88.20 Interest on Federal securities	-1,426	-1,430	-1,410
Non-Federal sources:			
88.40 Regular program	-638	-673	-698
88.40 Optional program	-911	-861	-919
88.90 Total, offsetting collections (cash)	-3,384	-3,407	-3,486
Against gross budget authority only:			
88.95 Change in uncollected customer payments from Federal sources (unexpired)	-16	-34	3

Net budget authority and outlays:

89.00 Budget authority			
90.00 Outlays	-1,303	-1,141	-1,053

Memorandum (non-add) entries:

92.01 Total investments, start of year: Federal securities:			
Par value	22,372	23,690	26,236

92.02 Total investments, end of year: Federal securities:			
Par value	23,690	26,236	27,292

This fund finances payments to private insurance companies for Federal employees' group life insurance and expenses of the Office of Personnel Management in administering the program.

Budget program.—The status of the basic (regular and optional) life insurance program on September 30 is as follows:

Life insurance in force (in billions of dollars):	2001 actual	2002 est.	2003 est.
On active employees	528	538	548
On retired employees	53	55	57
Total	581	593	605

Number of participants (in thousands):

Active employees	2,305	2,282	2,262
Annuitants	1,600	1,605	1,610
Total	3,905	3,887	3,872

Financing.—Non-Postal Service employees and all retirees under 65 pay two-thirds of the premium costs for Basic coverage; agencies pay the remaining third. Optional and certain post-retirement Basic coverages are paid entirely by enrollees. The status of the reserves at the end of the year is as follows:

Status of Reserves	2001 actual	2002 est.	2003 est.
Held in reserve (in millions of dollars):			
Contingency reserve	65	65	65
Beneficial association program reserve	1	1	1
U.S. Treasury reserve	23,690	26,236	27,292
Total reserves	23,756	26,302	27,358

EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS

Unavailable Collections (in millions of dollars)

Identification code 24-9981-0-8-551	2001 actual	2002 est.	2003 est.
01.99 Balance, start of year			
Receipts:			
02.80 Employees and retired employees health benefits fund, offsetting collections	21,454	23,900	2
Appropriations:			
05.00 Employees and retired employees health benefits fund	-21,454	-23,900	-2
05.99 Total appropriations	-21,454	-23,900	-2
07.99 Balance, end of year			

Program and Financing (in millions of dollars)

Identification code 24-9981-0-8-551	2001 actual	2002 est.	2003 est.
Obligations by program activity:			
09.01 Benefit payments	20,999	23,250	
09.02 Payments from OPM contingency reserve	118	240	
09.03 Government payment for annuitants (1960 Act)	2	2	2
09.04 Administration	23	24	
10.00 Total new obligations (object class 25.6)	21,143	23,516	2
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	4,086	4,445	
22.00 New budget authority (gross)	21,502	24,007	2
23.90 Total budgetary resources available for obligation	25,588	28,452	2
23.95 Total new obligations	-21,143	-23,516	-2
24.40 Unobligated balance carried forward, end of year	4,445	4,936	

New budget authority (gross), detail:

Discretionary:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	23	24	
Mandatory:			
69.00 Offsetting collections (cash)	21,431	23,876	2
69.10 Change in uncollected customer payments from Federal sources (unexpired)	48	107	

69.90	Spending authority from offsetting collections (total mandatory)	21,479	23,983	2
70.00	Total new budget authority (gross)	21,502	24,007	2
Change in obligated balances:				
72.40	Obligated balance, start of year	1,893	2,209	
73.10	Total new obligations	21,143	23,516	2
73.20	Total outlays (gross)	-20,779	-23,279	-2
74.00	Change in uncollected customer payments from Federal sources (unexpired)	-48	-107	
74.40	Obligated balance, end of year	2,209	2,339	
Outlays (gross), detail:				
86.90	Outlays from new discretionary authority	23	24	
86.97	Outlays from new mandatory authority	19,907	22,358	2
86.98	Outlays from mandatory balances	849	897	
87.00	Total outlays (gross)	20,779	23,279	2
Offsets:				
Against gross budget authority and outlays:				
Offsetting collections (cash) from:				
Federal sources:				
88.00	Agency contributions	-8,886	-10,051	
88.00	Government contributions for annuitants	-6,346	-7,027	-2
88.20	Interest on Federal securities	-367	-319	
Non-Federal sources:				
88.40	Employee salary withholdings	-3,002	-3,364	
88.40	Annuity withholdings	-2,786	-3,057	
88.40	Contributions from D.C. Government	-67	-82	
88.90	Total, offsetting collections (cash)	-21,454	-23,900	-2
Against gross budget authority only:				
88.95	Change in uncollected customer payments from Federal sources (unexpired)	-48	-107	
Net budget authority and outlays:				
89.00	Budget authority			
90.00	Outlays	-676	-621	
Memorandum (non-add) entries:				
92.01	Total investments, start of year: Federal securities: Par value	5,990	6,652	
92.02	Total investments, end of year: Federal securities: Par value	6,652	7,293	

4500	Payments to Carriers from OPM Contingency Reserves (-)	-118	-240	
4500	Administration (-)	-23	-24	
4599	Outgo under current law (-)	-20,779	-23,279	-2
Unexpended balance, end of year:				
8700	Uninvested balance	16	5	
Federal securities:				
8701	Par value	6,651	7,293	
8702	Unrealized discounts	-14	-23	
8799	Total balance, end of year	6,654	7,275	

For 2001 and 2002, this display combines the Federal Employees Health Benefits (FEHB) fund and the Retired Employees Health Benefits (REHB) fund.

For 2003, this display presents only the REHB fund. The FEHB fund estimates have moved to Employees Health Benefits Fund presentation located at an earlier point in this OPM chapter.

The FEHB fund provides for the cost of health benefits for: (1) active employees; (2) employees who retired after June 1960, or their survivors; (3) those annuitants transferred from the REHB program as authorized by Public Law 93-246; and (4) the related expenses of the Office of Personnel Management (OPM) in administering the program.

The REHB fund, created by the Retired Federal Employees Health Benefits Act of 1960, provides for: (1) the cost of health benefits for retired employees and survivors who enroll in a Government-sponsored uniform health benefits plan; (2) the contribution to retired employees and survivors who retain or purchase private health insurance; and (3) expenses of OPM in administering the program.

Budget program.—The balance of the FEHB fund is available for payments without fiscal year limitation. Numbers of participants at the end of each fiscal year are as follows:

	2001 actual	2002 est.	2003 est.
Active employees	2,198,895	2,198,000	2,197,000
Annuitants	1,875,912	1,923,000	1,948,000
Total	4,074,807	4,121,000	4,145,000

In determining a biweekly subscription rate to cover program costs, one percent is added for administrative expenses and three percent is added for a contingency reserve held by OPM for each carrier. OPM is authorized to transfer unused administrative reserve funds to the contingency reserve.

The REHB fund is available without fiscal year limitation. The amounts contributed by the Government are paid into the fund from annual appropriations. The number of participants at the end of each fiscal year are as follows:

	2001 actual	2002 est.	2003 est.
Uniform plan	911	750	630
Private plans	2,687	2,230	1,850
Total	3,598	2,980	2,480

Financing.—The funds are financed by: (1) withholdings from active employees and annuitants; (2) agency contributions for active employees; (3) Government contributions for annuitants appropriated to OPM; and (4) contributions made by the United States Postal Service in accordance with the provisions of Public Law 101-508 and Public Law 103-66.

Operating results.—Funds made available to carriers but not used to pay claims in the current period are carried forward as special reserves for use in subsequent periods.

OPM maintains a contingency reserve, funded by employee and Government contributions, that may be used to defray future cost increases or provide increased benefits. OPM makes payments to carriers from this reserve whenever carrier-held reserves fall below levels prescribed by OPM regulations or when carriers can demonstrate good cause such as unexpected claims experience or variations from expected community rates.

Budget Authority and Outlays Excluding Full Funding for Federal Retiree Costs (in millions of dollars)

	2001 actual	2002 est.	2003 est.
Net budget authority and outlays:			
90.00	Outlays	-676	-621
			-775

Status of Funds (in millions of dollars)

Identification code 24-9981-0-8-551	2001 actual	2002 est.	2003 est.
Unexpended balance, start of year:			
0100	Treasury balance	12	16
U.S. Securities:			
0101	Par value	5,989	6,652
0102	Unrealized discounts	-24	-14
0199	Total balance, start of year	5,979	6,654
Cash income during the year:			
Current law:			
Offsetting collections:			
Offsetting governmental receipts:			
1280	Contributions from Employing Agencies	5,556	6,302
1280	Contributions from Postal Service for Active Employees	3,331	3,750
1280	Contributions from Postal Service for Annuitants	929	943
1280	Government Payment for Annuitant Health Benefits	5,417	6,083
1280	Interest Earned	367	319
1280	Contributions from DC Government	67	82
1280	Contributions from Active Employees	3,002	3,364
1280	Contributions from Annuitants	2,786	3,057
1299	Income under present law	21,454	23,900
Cash outgo during year:			
Current law:			
Cash outgo during the year (-):			
4500	Benefit Payments (-)	-20,638	-23,015
			-2