

# OFFICE OF PERSONNEL MANAGEMENT

## Federal Funds

### SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

*For necessary expenses to carry out functions of the Office of Personnel Management (OPM) 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 OPM 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, \$95,757,000, of which \$5,704,000 shall remain available until expended for the Enterprise Human Resources Integration project, of which \$642,000 may be for strengthening the capacity and capabilities of the acquisition workforce (as defined by the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 4001 et seq.)), including the recruitment, hiring, training, and retention of such workforce and information technology in support of acquisition workforce effectiveness or for management solutions to improve acquisition management, and of which \$1,345,000 shall remain available until expended for the Human Resources Line of Business project; and in addition, \$118,578,000 for administrative expenses, to be transferred from the appropriate trust funds of OPM without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs, of which \$2,600,000 shall remain available until expended for a retirement case management system: 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), and 9004(f)(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 OPM 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 2014, accept donations of money, property, and personal services: Provided further, That such donations, including those from prior years, may be used for the development of publicity materials 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.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

#### Program and Financing (in millions of dollars)

Identification code 24-0100-0-1-805	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Employee Services .....	30	31	29
0002 Merit System Audit & Compliance .....	13	14	13
0003 Office of the Chief Financial Officer .....	17	3	3
0004 Office of the Chief Information Officer .....	26	13	8
0005 Executive Services .....	28	23	17
0006 Planning & Policy Analysis .....	5	9	12
0007 Health and Insurance .....	1	6	13
0100 Total direct program .....	120	99	95
0799 Total direct obligations .....	120	99	95
0801 Trust Fund activity .....	235	114	119
0900 Total new obligations .....	355	213	214
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	6	6	6

<b>Budget authority:</b>			
Appropriations, discretionary:			
1100 Appropriation .....	98	99	96
1160 Appropriation, discretionary (total) .....	98	99	96
Spending authority from offsetting collections, discretionary:			
1700 Collected .....	228	114	119
1701 Change in uncollected payments, Federal sources .....	43		
1750 Spending auth from offsetting collections, disc (total) .....	271	114	119
1900 Budget authority (total) .....	369	213	215
1930 Total budgetary resources available .....	375	219	221
Memorandum (non-add) entries:			
1940 Unobligated balance expiring .....	-14		
1941 Unexpired unobligated balance, end of year .....	6	6	7
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	167	137	129
3010 Obligations incurred, unexpired accounts .....	355	213	214
3011 Obligations incurred, expired accounts .....	2		
3020 Outlays (gross) .....	-372	-221	-236
3041 Recoveries of prior year unpaid obligations, expired .....	-15		
3050 Unpaid obligations, end of year .....	137	129	107
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-110	-116	-116
3070 Change in uncollected pymts, Fed sources, unexpired .....	-43		
3071 Change in uncollected pymts, Fed sources, expired .....	37		
3090 Uncollected pymts, Fed sources, end of year .....	-116	-116	-116
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	57	21	13
3200 Obligated balance, end of year .....	21	13	-9
<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	369	213	215
Outlays, gross:			
4010 Outlays from new discretionary authority .....	277	200	203
4011 Outlays from discretionary balances .....	95	21	33
4020 Outlays, gross (total) .....	372	221	236
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030 Federal sources .....	-254	-114	-119
Additional offsets against gross budget authority only:			
4050 Change in uncollected pymts, Fed sources, unexpired .....	-43		
4052 Offsetting collections credited to expired accounts .....	26		
4060 Additional offsets against budget authority only (total) .....	-17		
4070 Budget authority, net (discretionary) .....	98	99	96
4080 Outlays, net (discretionary) .....	118	107	117
4180 Budget authority, net (total) .....	98	99	96
4190 Outlays, net (total) .....	118	107	117

The Office of Personnel Management's (OPM) mission is to help agencies build an effective Federal civilian workforce based on merit system principles. OPM leads Federal agencies in the strategic management of their human resources, proposes and implements human resources management policy, and provides agencies with ongoing advice and technical assistance to implement these policies and initiatives. OPM also supports veterans' preference in Federal hiring and manages the process for personnel security and background checks for suitability and national security clearances. OPM continues to honor the Government's commitment to employees by managing the trust funds that support the retirement and insurance benefits they earn, and delivering excellent benefit services and support to civil servants both during and after their Federal careers. The 2014 Budget will permit OPM to pursue long-term human resources strategies that deliver results and enhances the values of the civil service.

The functions and objectives of the OPM major organizations are:

**Employee Services.**—Provides leadership and guidance to Federal agencies on Government-wide human resource policies. Specifically, ES provides direction and guidance on staffing,

SALARIES AND EXPENSES—Continued

classification, pay, leave, performance management, training, executive resources, and employee and labor relations programs. Employee Services is responsible for issuing Government-wide policy on reciprocity of suitability investigations and suitability standards across government. ES also manages the operations of OPM's internal human resources program.

**Merit System Audit and Compliance.**—Ensures that Federal agency human resources programs are effective and meet merit system principles and related civil service requirements. Merit System Audit and Compliance also manages the Combined Federal Campaign and provides Federal observers to monitor the election process in areas designated by the U.S. Attorney General.

**Retirement Services.**—Administers the Civil Service Retirement System (CSRS) and the Federal Employee Retirement System (FERS), serving Federal retirees and survivors who receive monthly annuity payments. Retirement program activities will continue to focus on making initial eligibility determinations, adjudications, post retirement changes, and survivor processing based on applicable laws and regulations. The 2014 Budget permits increased staffing levels to process funding to maintain timely processing of retirement claims and provide services to Federal annuitants.

**Policy and Planning Analysis.**— Provides guidance on proposing and developing new program-related legislation, writing program regulations, and developing policy guidance for Federal agencies, insurance carriers and program beneficiaries.

**Healthcare and Insurance.**— Administers Federal Employees Health Benefit Program (FEHBP) health benefits contracts for the Federal government, and administer the Federal Employee Group Life Insurance (FEGLI) program covering employees, retirees and their families. Healthcare and Insurance is also responsible for implementing and overseeing Patient Protection and Affordable Care Act's Multi-State Plan Options.

**Federal Investigative Services.**—Provides investigative products and services for over one hundred Federal agencies to use as the basis for security clearance or suitability decisions as required by Executive Orders and other rules and regulations. Over ninety percent of the Government's background investigations are provided by OPM. This function is completely financed by payment for these services from other Federal agencies through OPM's Revolving Fund.

**Human Resources Solutions.**—Assists Federal agencies in achieving their missions by providing solutions that develop leaders, attract and build a high quality public sector workforce, and transform agencies into high performing organizations. This function is completely financed by payment for these services from other Federal agencies through OPM's revolving fund.

Object Classification (in millions of dollars)

Identification code 24-0100-0-1-805	2012 actual	2013 CR	2014 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent .....	70	44	50
11.3 Other than full-time permanent .....	1	1	1
11.5 Other personnel compensation .....	5	1	1
11.9 Total personnel compensation .....	76	46	52
12.1 Civilian personnel benefits .....	14	12	14
21.0 Travel and transportation of persons .....	1	1	1
23.3 Communications, utilities, and miscellaneous charges .....	11	14	12
24.0 Printing and reproduction .....	4	1	.....
25.2 Other services from non-Federal sources .....	12	24	15
26.0 Supplies and materials .....	1	.....	.....
31.0 Equipment .....	1	1	1

99.0 Direct obligations .....	120	99	95
99.0 Reimbursable obligations .....	235	114	119
99.9 Total new obligations .....	355	213	214

Employment Summary

Identification code 24-0100-0-1-805	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	844	932	885
2001 Reimbursable civilian full-time equivalent employment .....	1,068	1,167	1,188

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 of 1978, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, \$4,684,000, and in addition, not to exceed \$21,340,000 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.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 24-0400-0-1-805	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Program oversight (audits, investigations, etc.) .....	3	3	5
0801 Reimbursable program activity .....	20	21	21
0900 Total new obligations .....	23	24	26
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	.....	1	1
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation .....	3	3	5
1160 Appropriation, discretionary (total) .....	3	3	5
Spending authority from offsetting collections, discretionary:			
1700 Collected .....	19	21	21
1701 Change in uncollected payments, Federal sources .....	3	.....	.....
1750 Spending auth from offsetting collections, disc (total) .....	22	21	21
1900 Budget authority (total) .....	25	24	26
1930 Total budgetary resources available .....	25	25	27
Memorandum (non-add) entries:			
1940 Unobligated balance expiring .....	-1	.....	.....
1941 Unexpired unobligated balance, end of year .....	1	1	1

Change in obligated balance:

Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	7	5	.....
3010 Obligations incurred, unexpired accounts .....	23	24	26
3011 Obligations incurred, expired accounts .....	1	.....	.....
3020 Outlays (gross) .....	-26	-29	-25
3050 Unpaid obligations, end of year .....	5	.....	1
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-8	-9	-9
3070 Change in uncollected pymts, Fed sources, unexpired .....	-3	.....	.....
3071 Change in uncollected pymts, Fed sources, expired .....	2	.....	.....
3090 Uncollected pymts, Fed sources, end of year .....	-9	-9	-9
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	-1	-4	-9
3200 Obligated balance, end of year .....	-4	-9	-8

Budget authority and outlays, net:				
Discretionary:				
4000	Budget authority, gross .....	25	24	26
Outlays, gross:				
4010	Outlays from new discretionary authority .....	22	24	25
4011	Outlays from discretionary balances .....	4	5	
4020	Outlays, gross (total) .....	26	29	25
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4030	Federal sources .....	-21	-21	-21
Additional offsets against gross budget authority only:				
4050	Change in uncollected pymts, Fed sources, unexpired .....	-3		
4052	Offsetting collections credited to expired accounts .....	2		
4060	Additional offsets against budget authority only (total) .....	-1		
4070	Budget authority, net (discretionary) .....	3	3	5
4080	Outlays, net (discretionary) .....	5	8	4
4180	Budget authority, net (total) .....	3	3	5
4190	Outlays, net (total) .....	5	8	4

This appropriation provides agency-wide audit, investigation, administrative sanction, and debarment functions to identify program management, contractual, and administrative deficiencies that may create conditions for fraud, waste, abuse, and mismanagement. During 2012, the Office of Inspector General (OIG) activities resulted in positive financial impacts of over 220 million and led to 54 arrests, 63 indictments, 51 criminal convictions, and 827 suspensions or debarments within the Federal Employees Health Benefits Program (FEHBP).

The audits function provides audit services covering agency functions, the FEHBP, the Federal Employees Group Life Insurance (FEGLI) program, the Federal retirement programs, revolving fund programs and operations, and information systems and security audits. Internal agency audits review all facets of agency operations, and include the oversight of the agency financial statement audit. Insurance audits review the operations of health and life insurance carriers, health care providers, pharmacy benefit managers, and insurance subscribers. Information systems audits review general controls, application controls and security within the agency's information systems and programs as well as for the information systems of insurance carriers within the FEHBP.

The investigations function detects and investigates improper and illegal activities involving agency programs, personnel, and operations. A large component of the investigative program involves criminal activities within the FEHBP, retirement and life insurance trust fund programs, as well as the OPM revolving fund programs. Our administrative sanctions program debars and suspends health care providers whose conduct may pose a financial threat to the FEHBP or health and safety risk to FEHBP enrollees and their families.

In 2014, the OIG will continue its audits and investigations of OPM programs, including the FEHBP and retirement trust fund programs, OPM revolving fund programs, and OPM financial statement oversight and other program areas. The OIG will continue to advance its prescription drug audit program, which includes audits of pharmacy benefit managers. Through these audits, the OIG helps the FEHBP recover inappropriate charges, negotiate more favorable contracts, control future cost growth, and improve benefits provided to program enrollees. The OIG will also continue its FEHBP claims data warehouse initiative in 2014. This project streamlines and enhances the various administrative and analytical procedures involved in the oversight of the FEHBP. The purpose of the project is to capture claims data from experience-rated insurance carriers in a data warehouse of health care information. The system's software tools support a variety of analytical procedures, including data mining, using the data in the warehouse. The project has facilitated more

efficient and effective oversight of the FEHBP by enhancing the ability of auditors and investigators to identify improper payments.

Another challenge facing the OIG is the oversight of the vast OPM revolving fund programs, most notably the Federal Investigative Services, responsible for the Federal background investigations which have significant national security implications. The revolving fund programs are projected to spend over 2.0 billion in 2014.

The 2014 Budget includes funds associated with OPM's implementation of the Patient Protection and Affordable Care Act (ACA), including the Indian Health Care Improvement Reauthorization and Extension Act of 2009 (IHCA), which was enacted as part of the ACA. The OIG is currently working with OPM on its implementation of the ACA. It has been proposed that the OIG will be permitted to audit and examine Multi-State Plan Program (MSPP) records and accounts that pertain to the MSPP. The OIG will work with MSPP issuers to carry out audit functions of their fraud detection systems. In addition, in keeping with our current oversight responsibilities, the OIG plans to review the business practices exhibited by the MSPPs and report its findings and recommendations to OPM for further action.

Finally, the Administration proposes a government-wide general provision to expand the authorization of OPM's revolving fund for use the by OIG to audit and provide necessary oversight of that fund.

**Object Classification** (in millions of dollars)

Identification code 24-0400-0-1-805	2012 actual	2013 CR	2014 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent .....	2	2	4
12.1 Civilian personnel benefits .....	1	1	1
99.0 Direct obligations .....	3	3	5
99.0 Reimbursable obligations .....	20	21	21
99.9 Total new obligations .....	23	24	26

**Employment Summary**

Identification code 24-0400-0-1-805	2012 actual	2013 CR	2014 est.
1001 Direct civilian full-time equivalent employment .....	7	22	15
2001 Reimbursable civilian full-time equivalent employment .....	123	115	114

**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), such sums as may be necessary.*

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

**Program and Financing** (in millions of dollars)

Identification code 24-0206-0-1-551	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Government contribution for annuitants benefits (1959 Act) .....	10,683	10,697	11,162
0002 Government contribution for annuitants benefits (1960 Act) .....		1	1
0900 Total new obligations (object class 13.0) .....	10,683	10,698	11,163

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH  
BENEFITS—Continued  
Program and Financing—Continued

Identification code 24-0206-0-1-551	2012 actual	2013 CR	2014 est.	
<b>Budgetary Resources:</b>				
Budget authority:				
Appropriations, mandatory:				
1200	Appropriation	10,683	10,698	11,163
1260	Appropriations, mandatory (total)	10,683	10,698	11,163
1930	Total budgetary resources available	10,683	10,698	11,163
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	1,176	1,100	1,115
3010	Obligations incurred, unexpired accounts	10,683	10,698	11,163
3020	Outlays (gross)	-10,759	-10,683	-11,238
3050	Unpaid obligations, end of year	1,100	1,115	1,040
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	1,176	1,100	1,115
3200	Obligated balance, end of year	1,100	1,115	1,040
<b>Budget authority and outlays, net:</b>				
Mandatory:				
4090	Budget authority, gross	10,683	10,698	11,163
Outlays, gross:				
4100	Outlays from new mandatory authority	9,583	9,763	10,178
4101	Outlays from mandatory balances	1,176	920	1,060
4110	Outlays, gross (total)	10,759	10,683	11,238
4180	Budget authority, net (total)	10,683	10,698	11,163
4190	Outlays, net (total)	10,759	10,683	11,238

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 OPM in administration of the Act.

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

	2012 actual	2013 est.	2014 est.
<b>Annuitants:</b>			
FEHB	1,872,000	1,903,000	1,923,000
(USPS non-add)	512,000	475,000	442,000
REHB	436	358	295
Total, annuitants	1,872,436	1,903,358	1,923,295

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.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 24-0500-0-1-602	2012 actual	2013 CR	2014 est.	
<b>Obligations by program activity:</b>				
0001	Direct program activity	47	46	45
0900	Total new obligations (object class 25.2)	47	46	45

<b>Budgetary Resources:</b>				
Budget authority:				
Appropriations, mandatory:				
1200	Appropriation	47	46	45
1260	Appropriations, mandatory (total)	47	46	45
1930	Total budgetary resources available	47	46	45
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1	6	6	
3010	Obligations incurred, unexpired accounts	47	46	45
3020	Outlays (gross)	-47	-52	-45
3050	Unpaid obligations, end of year	6		
Memorandum (non-add) entries:				
3100	Obligated balance, start of year	6	6	
3200	Obligated balance, end of year	6		
<b>Budget authority and outlays, net:</b>				
Mandatory:				
4090	Budget authority, gross	47	46	45
Outlays, gross:				
4100	Outlays from new mandatory authority	41	46	45
4101	Outlays from mandatory balances	6	6	
4110	Outlays, gross (total)	47	52	45
4180	Budget authority, net (total)	47	46	45
4190	Outlays, net (total)	47	52	45

Per P.L. 96-427, Federal Employees Group Life Insurance Act of 1980, enacted October 10, 1980, 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, and the Act of August 19, 1950 (33 U.S.C. 771-775), may hereafter be paid out of the Civil Service Retirement and Disability Fund.

Note.—A full-year 2013 appropriation for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Continuing Appropriations Resolution, 2013 (P.L. 112-175). The amounts included for 2013 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 24-0200-0-1-805	2012 actual	2013 CR	2014 est.	
<b>Obligations by program activity:</b>				
0002	Payment of Government share of retirement costs	10,694	9,000	8,900
0003	Transfers for interest on unfunded liability and payment of military service annuities	22,255	23,300	24,200
0005	Spouse equity payment	74	74	74
0900	Total new obligations	33,023	32,374	33,174
<b>Budgetary Resources:</b>				
Budget authority:				
Appropriations, mandatory:				
1200	Appropriation	22,255	23,300	24,200
1200	Appropriation	10,768	9,074	8,974
1260	Appropriations, mandatory (total)	33,023	32,374	33,174
1930	Total budgetary resources available	33,023	32,374	33,174
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3010	Obligations incurred, unexpired accounts	33,023	32,374	33,174
3020	Outlays (gross)	-33,023	-32,374	-33,174
<b>Budget authority and outlays, net:</b>				
Mandatory:				
4090	Budget authority, gross	33,023	32,374	33,174

Outlays, gross:				
4100	Outlays from new mandatory authority .....	33,023	32,374	33,174
4180	Budget authority, net (total) .....	33,023	32,374	33,174
4190	Outlays, net (total) .....	33,023	32,374	33,174

**Summary of Budget Authority and Outlays** (in millions of dollars)

	2012 actual	2013 CR	2014 est.
<b>Enacted/requested:</b>			
Budget Authority .....	33,023	32,374	33,174
Outlays .....	33,023	32,374	33,174
<b>Legislative proposal, not subject to PAYGO:</b>			
Budget Authority .....			-34
Outlays .....			-34
<b>Total:</b>			
Budget Authority .....	33,023	32,374	33,140
Outlays .....	33,023	32,374	33,140

The Payment to the Civil Service Retirement and Disability Fund consists of an appropriation and a permanent indefinite authorization to pay the Government's share of retirement costs as defined in the Civil Service Retirement Amendments of 1969 (P.L. 91-93), the Federal Employees Retirement Act of 1986 (P.L. 99-335), and the Civil Service Retirement Spouse Equity Act of 1985 (P.L. 98-615). The payment is made directly from the General Fund of the U.S. Treasury into the Civil Service Retirement and Disability Fund and is in addition to appropriated funds that will be contributed from agency budgets.

**Current Appropriation Payment of Government share of retirement costs.**—P.L. 91-93 provides for an annual appropriation to amortize, over a 30-year period, all increases in Civil Service Retirement System costs resulting from acts of Congress granting new or liberalized benefits, extensions of coverage, or pay raises, exclusive of the effects of cost-of-living adjustments (COLAs). OPM has notified the Secretary of the Treasury each year of such sums as may be necessary to carry out these provisions.

**Permanent Indefinite Authorization.**—Transfers for interest on static unfunded liability and payment of military service annuities.—P.L. 91-93 also provides permanent, indefinite authorization for the Secretary of the Treasury to transfer, on an annual basis, an amount equal to 5 percent interest on the Civil Service Retirement and Disability Funds current statutory unfunded liability, calculated based on static economic assumptions, and annuity disbursements attributable to credit for military service.

**Payments for Spouse Equity.**—The permanent, indefinite authorization also includes a payment in accordance with P.L. 98-615 which provides for the Secretary of the Treasury to transfer an amount equal to the annuities granted to eligible former spouses of annuitants who died between September 1978 and May 1985 who did not elect survivor coverage.

**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, and the Act of August 19, 1950 (33 U.S.C. 771-775), may hereafter be paid out of the Civil Service Retirement and Disability Fund. (Financial Services and General Government Appropriations Act, 2010.)

**Object Classification** (in millions of dollars)

Identification code 24-0200-0-1-805	2012 actual	2013 CR	2014 est.
<b>Direct obligations:</b>			
12.1 Civilian personnel benefits .....	10,768	9,074	8,974
13.0 Benefits for former personnel .....	22,255	23,300	24,200

99.9	Total new obligations .....	33,023	32,374	33,174
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**PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND**

(Legislative proposal, not subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 24-0200-2-1-805	2012 actual	2013 CR	2014 est.	
<b>Obligations by program activity:</b>				
0003	Transfers for interest on unfunded liability and payment of military service annuities .....			-34
0900	Total new obligations (object class 13.0) .....			-34
<b>Budgetary Resources:</b>				
<b>Budget authority:</b>				
<b>Appropriations, mandatory:</b>				
1200	Appropriation .....			-34
1260	Appropriations, mandatory (total) .....			-34
1930	Total budgetary resources available .....			-34

**Change in obligated balance:**

<b>Unpaid obligations:</b>				
3010	Obligations incurred, unexpired accounts .....			-34
3020	Outlays (gross) .....			34

**Budget authority and outlays, net:**

<b>Mandatory:</b>				
4090	Budget authority, gross .....			-34
<b>Outlays, gross:</b>				
4100	Outlays from new mandatory authority .....			-34
4180	Budget authority, net (total) .....			-34
4190	Outlays, net (total) .....			-34

The 2014 Budget contains a legislative proposal that would reduce Treasury payments to the Civil Service Retirement and Disability Fund for benefits payable under the Civil Service Retirement System (CSRS) and the Federal Employee Retirement System (FERS). The Budget proposes to Increase Existing Employee Contributions to CSRS and FERS Retirement Systems by 1.2% of salaries, phased in over three years, and maintain the employer's share at its current contribution rate. Because Agency FERS Contributions will exceed the amount necessary to satisfy the FERS normal cost percentage, those funds will be credited to the assets of the Civil Service Retirement System in the CSRDF, which in turn will reduce the CSRS Unfunded Liability.

**FLEXIBLE BENEFITS PLAN RESERVE**

**Program and Financing** (in millions of dollars)

Identification code 24-0800-0-1-805	2012 actual	2013 CR	2014 est.	
<b>Obligations by program activity:</b>				
0801	FSA FEDS Risk Reserve .....	4	23	24
0900	Total new obligations (object class 25.6) .....	4	23	24
<b>Budgetary Resources:</b>				
<b>Unobligated balance:</b>				
1000	Unobligated balance brought forward, Oct 1 .....	89	97	107
<b>Budget authority:</b>				
<b>Spending authority from offsetting collections, mandatory:</b>				
1800	Collected .....	12	33	34
1850	Spending auth from offsetting collections, mand (total) .....	12	33	34
1930	Total budgetary resources available .....	101	130	141
<b>Memorandum (non-add) entries:</b>				
1941	Unexpired unobligated balance, end of year .....	97	107	117

**Change in obligated balance:**

<b>Unpaid obligations:</b>				
3010	Obligations incurred, unexpired accounts .....	4	23	24
3020	Outlays (gross) .....	-4	-23	-24

FLEXIBLE BENEFITS PLAN RESERVE—Continued  
Program and Financing—Continued

Identification code 24-0800-0-1-805	2012 actual	2013 CR	2014 est.
<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross .....	12	33	34
Outlays, gross:			
4100 Outlays from new mandatory authority .....	4	23	24
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120 Federal sources .....	-4	-4	-4
4123 Non-Federal sources .....	-8	-29	-30
4130 Offsets against gross budget authority and outlays (total) ....	-12	-33	-34
4170 Outlays, net (mandatory) .....	-8	-10	-10
4190 Outlays, net (total) .....	-8	-10	-10

This account contains reserve resources required under the Office of Personnel Management's contract with the administrator of the Flexible Benefits program. This account is funded by payments from Federal agencies based on the participation of their employees in the program and from net forfeitures, as authorized by the National Defense Authorization Act for Fiscal Year 2004 (P.L. 108-136). Account assets are available to indemnify the administrator when benefit payments exceed contributions, and for program enhancements.

Object Classification (in millions of dollars)

Identification code 24-0800-0-1-805	2012 actual	2013 CR	2014 est.
99.0 Reimbursable obligations .....	4	23	24

POSTAL SERVICE RETIREE HEALTH BENEFITS FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 24-5391-0-2-551	2012 actual	2013 CR	2014 est.
0100 Balance, start of year .....	43,707	45,347	47,347
Receipts:			
0240 Postal Service Contributions for Current Workers, Postal Service Retiree Health Benefits Fund .....		3,339	3,521
0241 Earnings on Investments, Postal Service Retiree Health Benefits Fund .....	1,640	1,573	1,528
0242 Postal Service Contributions for Benefits Paid to Retirees, Postal Service Retiree Health Benefits Fund .....		5,600	5,700
0243 Postal Service Contributions for Benefits Paid to Retirees, Postal Service Retiree Health Benefits Fund .....			-5,700
0244 Postal Service Contributions for Benefits Paid to Retirees, Postal Service Retiree Health Benefits Fund .....		-5,600	
0299 Total receipts and collections .....	1,640	4,912	5,049
0400 Total: Balances and collections .....	45,347	50,259	52,396
Appropriations:			
0500 Postal Service Retiree Health Benefits Fund .....	-1,640	-7,173	-7,228
0501 Postal Service Retiree Health Benefits Fund .....	1,640	7,173	7,228
0502 Postal Service Retiree Health Benefits Fund .....		-2,912	-3,199
0599 Total appropriations .....		-2,912	-3,199
0799 Balance, end of year .....	45,347	47,347	49,197

Program and Financing (in millions of dollars)

Identification code 24-5391-0-2-551	2012 actual	2013 CR	2014 est.
<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, mandatory:			
1201 Appropriation (special or trust fund) .....	1,640	7,173	7,228
1235 Appropriations precluded from obligation .....	-1,640	-7,173	-7,228
<b>Memorandum (non-add) entries:</b>			
5000 Total investments, SOY: Federal securities: Par value .....	43,708	45,347	52,670
5001 Total investments, EOY: Federal securities: Par value .....	45,347	52,670	59,898

The Postal Accountability and Enhancement Act (P.L. 109-435) created the Postal Service Retiree Health Benefits Fund to help fully fund the Postal Service's retiree (annuitant) health benefits liabilities.

This account receives from the Postal Service: 1) the pension savings provided to the Postal Service by the Postal Civil Service Retirement System Funding Reform Act of 2003 (P.L. 108-18) that were held in escrow during 2006; 2) payments defined within P.L. 109-435, and modified by P.L. 111-68, to begin the liquidation of the Postal Service's unfunded liability for post-retirement health benefits; and 3) beginning in 2017, payments for the actuarial cost of Postal Service contributions for the post-retirement health benefits for its current employees. This account also receives any surplus resources of the Civil Service Retirement and Disability Fund that are not needed to finance future retirement benefits under the Civil Service Retirement System to current or former employees of the Postal Service that are attributable to civilian employment with the Postal Service.

As a result of this health benefits financing system, beginning in 2017, the Postal Service will cease to pay annual premium costs for its post-1971 current annuitants directly to the Employees and Retired Employees Health Benefits Fund. Instead, these premium payments will be paid from amounts that the Postal Service remits to this fund. Payments for a proportion of the premium costs of Postal Service annuitants' pre-1971 service would continue to be paid by the General Fund of the Treasury through the Government Payment for Annuitants, Employees Health Benefits account.

POSTAL SERVICE RETIREE HEALTH BENEFITS FUND

(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 24-5391-4-2-551	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0001 Direct program activity .....		2,912	3,199
0900 Total new obligations (object class 12.1) .....		2,912	3,199
<b>Budgetary Resources:</b>			
Budget authority:			
Appropriations, mandatory:			
1235 Appropriations precluded from obligation .....		2,912	3,199
1260 Appropriations, mandatory (total) .....		2,912	3,199
1930 Total budgetary resources available .....		2,912	3,199
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts .....		2,912	3,199
3020 Outlays (gross) .....		-2,912	-3,199
<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross .....		2,912	3,199
Outlays, gross:			
4100 Outlays from new mandatory authority .....		2,912	3,199
4180 Budget authority, net (total) .....		2,912	3,199
4190 Outlays, net (total) .....		2,912	3,199

Under the Postal Accountability and Enhancement Act of 2006 (P.L. 109-435), USPS must make a stream of payments set in statute through 2016 toward paying down retiree health benefit unfunded liabilities, as well as pay annual Federal Employees Health Benefits Program premiums for current retirees. Also under current law, starting in 2017, USPS must pay the per capita accruing costs (or normal cost) to fund future retiree health benefits of current employees and a 40-year amortization of the remaining unfunded liability (UFL) for current retirees. The Budget proposes to shift how the Postal Service (USPS) pre-funds

its retiree health benefits UFL. Under the proposal, starting in 2013, USPS would pay the normal costs for the future retiree health benefits of current employees and also a stream of payments associated with paying down the remaining UFL for current retirees. Further, the Budget would provide USPS temporary financial relief as the 2013 (\$5.6 billion) and 2014 (\$5.7 billion) UFL payments would be adjusted so that USPS would pay through 2014 a total of \$10.6 billion less than what it would have paid to this Fund under current law. USPS would make up this \$10.6 billion payment to the Fund by paying larger amounts in future years through the 40-year amortization of the remaining UFL that starts in 2017. The Budget also proposes to codify two statutory RHB prefunding payments that USPS defaulted on in FY 2012. These defaults, totaling \$11.1 billion, are factored into the 40-year amortization schedule starting in 2017, but currently remain on USPSs financial statements as outstanding liabilities.

This proposal provides the following benefits to USPS: 1) USPS would be provided temporary financial relief in the form of lower payments in 2013 and 2014; 2) The calculations of normal cost and UFL are based on actuarial assumptions (as of fall 2012) that reflect USPS's employee population change since 2006, when the prefunding mechanism was originally adopted (note, however, that the actual annual payments for the normal costs are reset each year based on the number of USPS employees); 3) This Fund would pay the premiums for current USPS retirees now, rather than starting in 2017—this accelerates what would have occurred anyway in 2017 under current law. See also the Postal Service section of this Appendix for information on this proposal.

REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 24—4571—0—4—805	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0801 Talent services .....	998	851	831
0802 Investigation services .....	1,045	1,172	1,189
0803 Leadership capacity services .....	36	.....	.....
0804 Enterprise human resources integration .....	49	58	36
0805 USAJOBS/PMF .....	18	11	11
0806 Presidential Management Fellows .....	.....	4	4
0900 Total new obligations .....	2,146	2,096	2,071
<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	413	404	294
1021 Recoveries of prior year unpaid obligations .....	135	.....	.....
1050 Unobligated balance (total) .....	548	404	294
Budget authority:			
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	2,166	1,986	1,991
1801 Change in uncollected payments, Federal sources .....	-164	.....	.....
1850 Spending auth from offsetting collections, mand (total) .....	2,002	1,986	1,991
1900 Budget authority (total) .....	2,002	1,986	1,991
1930 Total budgetary resources available .....	2,550	2,390	2,285
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	404	294	214
<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	1,141	1,131	1,241
3010 Obligations incurred, unexpired accounts .....	2,146	2,096	2,071
3020 Outlays (gross) .....	-2,021	-1,986	-1,991
3040 Recoveries of prior year unpaid obligations, unexpired .....	-135	.....	.....
3050 Unpaid obligations, end of year .....	1,131	1,241	1,321
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-971	-807	-807
3070 Change in uncollected pymts, Fed sources, unexpired .....	164	.....	.....
3090 Uncollected pymts, Fed sources, end of year .....	-807	-807	-807

Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	170	324	434
3200 Obligated balance, end of year .....	324	434	514
<b>Budget authority and outlays, net:</b>			
Mandatory:			
4090 Budget authority, gross .....	2,002	1,986	1,991
Outlays, gross:			
4100 Outlays from new mandatory authority .....	887	548	1,991
4101 Outlays from mandatory balances .....	1,134	1,438	.....
4110 Outlays, gross (total) .....	2,021	1,986	1,991
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120 Federal sources .....	-2,166	-1,986	-1,991
Additional offsets against gross budget authority only:			
4140 Change in uncollected pymts, Fed sources, unexpired .....	164	.....	.....
4170 Outlays, net (mandatory) .....	-145	.....	.....
4190 Outlays, net (total) .....	-145	.....	.....

**Budget Program.**—OPM's Revolving Fund provides financing for investigations, training, and other functions that OPM is authorized or required to perform on a reimbursable basis. OPM programs offer the following:

OPM's Human Resources Solutions (HRS) organization delivers human resources products and services to Federal agencies on a reimbursable basis. These products and services are designed to help Federal agency customers develop leaders committed to public service values, attract and build a top quality public sector workforce and aid in their transformation into high-performing organizations. As a revolving fund program, HRS recovers costs of operations by managing thousands of individual reimbursable agreements from more than 150 Federal Departments and agencies. HRS will continue to provide assisted acquisition services and project management to client agencies in the areas of HR Strategy, Learning Management, Recruitment & Branding, and Training. HRS will serve as the program office for USA Staffing and OPM's Talent Acquisition System for Federal agencies. Also, HRS will continue to partner with agencies to meet their missions by providing effective staff acquisition solutions that attract, assess, and build a high-quality public sector workforce and transform agencies into high performing organizations.

OPM's Office of the Chief Information Officer (CIO) will maintain USAJOBS, the official job site of the Federal government. It is the one-stop source for Federal jobs and employment information. The USAJOBS.gov website has emerged over the last decade as the face of Federal hiring. USAJOBS 3.0 yields alignment of Federal recruiting and hiring. A key element to this strategy is that the product is Government-hosted, with key enterprise components brought under full Government control, while the Federal Government leverages innovation from the private sector. CIO will provide a centralized secure platform that helps to streamline the Federal government's overall hiring process. USAJOBS will continue as a job board and a resume and document repository for candidate information. It will continue to provide extensive Federal employment information to the Public, coordinates recruitment information across agencies and interact with job seekers through the use of Social Media.

OPM's Presidents Management Fellows Program (PMF) is a leadership development program at the entry level for advanced degree candidates. The PMF Program attracts and selects candidates with the goal of developing future government leaders. PMF provides agencies with graduates from a variety of academic disciplines and career paths, who have a clear interest in, and commitment to, excellence in the leadership and management of public policies and programs.

OPM's Federal Investigative Services organization performs personnel background investigative services to determine indi-

REVOLVING FUND—Continued

viduals suitability for Federal civilian, military, and contract employment and eligibility for access to classified national security information. Background investigations are performed for Federal agencies on a fee-for-service basis. Federal Investigative Services conducts over 90 percent of all background investigations for the Federal government. Investigations are a critical step in the Federal hiring process, and can affect hiring or removal decisions based on the individuals fitness and suitability for employment. Based on information gathered in background investigations, Federal agencies also issue security clearances and place individuals in sensitive positions involving national security or the public trust.

OPM revolving fund also partially supports the Human Resources Line of Business and Enterprise Human Resources Integration (EHRI). The Human Resources Line of Business (HR LoB) leads the government-wide transformation of HR Information Technology by focusing on modernization, integration, and performance assessment of shared service centers for HR and payroll. The HR LoB is a model for cross-agency collaboration which achieves HR service delivery improvements and cost savings results. The HR LoB has established public and private Shared Service Centers (SSCs) to provide technology solutions to support multiple agencies with HR information technology, HR management, and back office activities. Six Federal and four private sector SSCs have been selected and established to leverage economies of scale, reduce costs, and increase the quality and consistency of services provided. The EHRI program streamlines and automates the exchange of Federal Employee Human Resources (HR) information Government-wide. It has two primary components. First, the electronic Official Personnel Folder (eOPF) is a web-based application that is capable of storing, processing, and displaying the eOPFs of all current, separated, and retired Federal Employees. The system replaces the existing manual HR process by automating the Federal Government's HR processes and thereby creating a streamlined Federal HR system for all Federal employees. The eOPF will cover the entire Executive Branch with a total user population of more than 1.9M. The eOPF system is offered through a fee-for-service arrangement with implementing agencies. The second component is the Data Warehouse. It consolidates multiple HR data systems into a single corporate data repository in a secure environment, thereby eliminating redundancies across the Federal government. This single data source contains more than 500 data elements on 1.9M Federal employees, and serves as a powerful resource for HR managers, government executives, OMB, and Congress. The system also supports the collection of accurate retirement data through data feeds, and other sources, by creating data standards and reporting requirements contained in the Guide to Retirement Data Reporting. Through a suite of Analytic Tools offered to customer agencies, the Federal government is able to perform workforce analyses and forecasting on the data contained in the Data Warehouse.

**Financing.**—OPM's revolving fund account gains spending authority from agreements with other Federal agencies who are seeking the following services: Human Resources Solutions provides a multitude of HR services to other Federal agencies, which include consulting services, training, staffing programs, vendor management, and administrative law judge services. Individual pricing and fee structures for HR Solutions offerings differ because the business models for each of its products and services vary. USAJOBS is financed by an annual fee assessed to Federal agencies. The fee is based on the Federal agency's pro rata share of total Federal government FTE population supported,

as provided in the Central Personnel Data File (CPDF). PMF Program assesses a fixed fee for each fellow hired by a Federal agency. The Federal Investigative Services provides personnel background investigative services on a fixed price basis to determine individual's fitness or suitability for Federal civilian, military, and contract employment and/or eligibility for a security clearance. EHRI provides two primary service offerings on a fee-for-service basis: the electronic Official Personnel Folder (eOPF), including deployment and hosting services, and a suite of analytical tools enabling agencies to perform workforce analysis and forecasting. EHRI provides customized eOPF systems to other agencies at additional cost, in which the customer pays for ongoing eOPF maintenance. The pricing structure for eOPF maintenance is a fixed price per license (i.e., electronic folder) and is based on the number of active users at the customer agency. The HR LoB has established public and private Shared Service Centers (SSCs) to provide technology solutions to support multiple agencies with HR information technology and HR services and is financed in part by agency contributions from partner agencies.

**Operating Results.**—In fiscal year 2012, OPM's revolving fund businesses revenue total was \$1.994B and the expenses total was \$1.972B which provided a net gain on operations of \$22 million. The cumulative retained income was \$379M. The following revolving fund programs will utilize the resources as follows: The Federal Investigative Services will continue to improve the automation of the background investigation process, USAJOBS will continue the development of the enterprise integration components which will allow agencies the flexibility to connect relevant public and private assessment, on-boarding, and recruitment tools to enhance the functionality of the USAJOBS system, and Human Resources Solutions will invest in research and development for enhance product and services to meet customer demand.

**Object Classification** (in millions of dollars)

Identification code 24-4571-0-4-805	2012 actual	2013 CR	2014 est.
<b>Reimbursable obligations:</b>			
<b>Personnel compensation:</b>			
11.1 Full-time permanent .....	254	266	276
11.5 Other personnel compensation .....	14	16	16
11.9 Total personnel compensation .....	268	282	292
12.1 Civilian personnel benefits .....	78	82	84
21.0 Travel and transportation of persons .....	24	22	22
22.0 Transportation of things .....	1		1
23.1 Rental payments to GSA .....	19	19	20
23.3 Communications, utilities, and miscellaneous charges .....	37	37	38
24.0 Printing and reproduction .....	2	1	2
25.2 Other services from non-Federal sources .....	1,693	1,616	1,573
26.0 Supplies and materials .....	8	5	5
31.0 Equipment .....	16	32	34
99.9 Total new obligations .....	2,146	2,096	2,071

**Employment Summary**

Identification code 24-4571-0-4-805	2012 actual	2013 CR	2014 est.
2001 Reimbursable civilian full-time equivalent employment .....	3,304	3,278	3,471

**Trust Funds**

CIVIL SERVICE RETIREMENT AND DISABILITY FUND

**Special and Trust Fund Receipts** (in millions of dollars)

Identification code 24-8135-0-7-602	2012 actual	2013 CR	2014 est.
0100 Balance, start of year .....	797,479	819,753	832,609



Receipts:				
0200	Employee Contributions, Civil Service Retirement and Disability Fund .....	3,012	3,023	3,003
0201	Employee Contributions, Civil Service Retirement and Disability Fund .....			800
0202	District of Columbia Contributions, Civil Service Retirement and Disability Fund .....	28	19	17
0203	Employee Deposits, Redeposits and Other Contributions, Civil Service Retirement and Disability Fund .....	655	661	670
0240	Agency Contributions, Civil Service Retirement and Disability Fund .....	21,484	21,824	22,190
0241	Agency Contributions, Civil Service Retirement and Disability Fund .....			-17
0242	Postal Service Agency Contributions, Civil Service Retirement and Disability Fund .....	3,879	3,600	3,524
0243	FFB, TVA, and USPS Interest, Civil Service Retirement and Disability Fund .....	392	329	263
0244	Treasury Interest, Civil Service Retirement and Disability Fund .....	34,257	31,302	29,697
0245	General Fund Payment to the Civil Service Retirement and Disability Fund .....	33,023	32,374	33,174
0246	General Fund Payment to the Civil Service Retirement and Disability Fund .....			-34
0247	Re-employed Annuitants Salary Offset, Civil Service Retirement and Disability Fund .....	50	51	52
0299	Total receipts and collections .....	96,780	93,183	93,339
0400	Total: Balances and collections .....	894,259	912,936	925,948
Appropriations:				
0500	Civil Service Retirement and Disability Fund .....	-102	-91	-98
0501	Civil Service Retirement and Disability Fund .....	-96,677	-93,183	-92,590
0502	Civil Service Retirement and Disability Fund .....	22,273	15,547	11,381
0503	Civil Service Retirement and Disability Fund .....		-2,600	-4,430
0599	Total appropriations .....	-74,506	-80,327	-85,737
0799	Balance, end of year .....	819,753	832,609	840,211

**Program and Financing** (in millions of dollars)

Identification code 24-8135-0-7-602	2012 actual	2013 CR	2014 est.	
<b>Obligations by program activity:</b>				
0001	Annuities .....	73,981	77,352	80,921
0002	Refunds and death claims .....	377	284	288
0003	Administration - operations .....	142	85	92
0004	Transfer to MSPB .....	2	2	2
0005	Administration - OIG .....	4	4	4
0900	Total new obligations .....	74,506	77,727	81,307
<b>Budgetary Resources:</b>				
Budget authority:				
Appropriations, discretionary:				
1101	Appropriation (special or trust fund) .....	102	91	98
1160	Appropriation, discretionary (total) .....	102	91	98
Appropriations, mandatory:				
1201	Appropriation (special or trust fund) .....	96,677	93,183	92,590
1235	Portion precluded from balances .....	-22,273	-15,547	-11,381
1260	Appropriations, mandatory (total) .....	74,404	77,636	81,209
1900	Budget authority (total) .....	74,506	77,727	81,307
1930	Total budgetary resources available .....	74,506	77,727	81,307
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1 .....	6,368	6,817	7,123
3010	Obligations incurred, unexpired accounts .....	74,506	77,727	81,307
3020	Outlays (gross) .....	-74,057	-77,421	-81,025
3050	Unpaid obligations, end of year .....	6,817	7,123	7,405
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	6,368	6,817	7,123
3200	Obligated balance, end of year .....	6,817	7,123	7,405

Budget authority and outlays, net:				
Discretionary:				
4000	Budget authority, gross .....	102	91	98
Outlays, gross:				
4010	Outlays from new discretionary authority .....	43	91	98
4011	Outlays from discretionary balances .....	58		
4020	Outlays, gross (total) .....	101	91	98
Mandatory:				
4090	Budget authority, gross .....	74,404	77,636	81,209

Outlays, gross:				
4100	Outlays from new mandatory authority .....	67,646	70,804	74,226
4101	Outlays from mandatory balances .....	6,310	6,526	6,701
4110	Outlays, gross (total) .....	73,956	77,330	80,927
4180	Budget authority, net (total) .....	74,506	77,727	81,307
4190	Outlays, net (total) .....	74,057	77,421	81,025

Memorandum (non-add) entries:				
5000	Total investments, SOY: Federal securities: Par value .....	803,813	826,555	842,276
5001	Total investments, EOY: Federal securities: Par value .....	826,555	842,276	853,789

**Summary of Budget Authority and Outlays** (in millions of dollars)

	2012 actual	2013 CR	2014 est.
Enacted/requested:			
Budget Authority .....	74,506	77,727	81,307
Outlays .....	74,057	77,421	81,025
Legislative proposal, subject to PAYGO:			
Budget Authority .....		2,600	4,430
Outlays .....		2,600	4,430
Total:			
Budget Authority .....	74,506	80,327	85,737
Outlays .....	74,057	80,021	85,455

The Civil Service Retirement and Disability Fund is the oldest and largest of the four trust funds administered by the Compensation Group. The Fund is financed and structured very differently from the other three trust funds. It is characterized by permanent indefinite budget authority. Budget Authority is the authority to incur obligations and pay expenses which become available to an agency during any fiscal year. Once approved, permanent budget authority is permanently available for all future years. Indefinite budget authority is used when the precise amount of budget authority required cannot be forecast in advance and must thus be determined at some future point in time (e.g., when actual receipts and expenses become known).

The Civil Service Retirement and Disability Fund covers two Federal civilian retirement systems: the Civil Service Retirement System (CSRS) established on May 22, 1920, and the Federal Employees Retirement System (FERS) established on June 6, 1986. The Retirement Fund is a single plan even though there are two different benefit tiers and funding methods. 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.

The Budget proposes that the United States Patent and Trademark Office (PTO) continue to fund the full cost for retirement benefits for PTO's employees covered under the Civil Service Retirement System.

**Financing.**—The financing of the Retirement Fund is easily the most complex of the four trust funds. CSRS has been financed under a statutory funding method passed by Congress in 1969. This funding method is based on the static economic assumptions of no future inflation, no future general schedule salary increases, and a 5 percent interest rate. Under CSRS, regular employees contribute 7 percent of pay. Law Enforcement Officers, Firefighters, and Congressional employees contribute an extra 0.5 percent of pay, and Members of Congress an extra 1.0 percent of pay. Non-Postal Agencies match the employee contributions. Also under the static funding method for CSRS, the Treasury pays interest on any static unfunded liabilities that are not being financed by the Postal Service. The Treasury also makes payments to amortize, over a 30-year period, any increases in the static unfunded liability due to salary increases for Non-Postal employ-

CIVIL SERVICE RETIREMENT AND DISABILITY FUND—Continued

ees that occurred during the year, and pays for the cost of any benefits attributable to military service for both Postal and Non-Postal employees that were paid out during the year.

FERS is funded under a dynamic entry age funding method as prescribed in Chapter 84 of Title 5, United States Code, and employees and agencies together contribute the full amount of the dynamic normal cost. During fiscal year 2010, the dynamic normal cost was 12.0 percent (employees share, 0.8% and employers share, 11.2%) of pay for regular employees. Effective fiscal year 2012, the normal cost will be 12.7 percent (employees share, 0.8% and employers share, 11.9). On February 22, 2012, President Obama signed into law Public Law (P.L.) 112–96, the Middle Class Tax Relief and Job Creation Act of 2012, which contains provisions related to Federal employee retirement contributions and benefits. P.L. 112–96 increased the FERS employe contribution rate by 2.3% for FERS employees hired (or rehired with less than five years of FERS service) after December 31, 2012. The total normal rate of cost for most newly hired/rehired FERS regular employees and agencies together is still 12.7% of pay (employee share, 3.1% and employer's share, 9.6%). Effective fiscal year 2013, a weighted average normal cost was utilized to corectly capture all other groups of employees and agencies normal cost rates.

This dynamic normal cost is for the defined payment plan only and does not include the cost of Social Security or the Thrift Savings Plan. FERS regular employees contribute a percentage of salary that is equal to the difference between the contribution rate for CSRS employees, as set forth above, and the tax rate under the Old Age, Survivors and Disability Insurance (OASDI) portion of Social Security, which until recently was 4.2 percent of pay. In December 2010, Prseident Obama signed The Middle Class Tax Relief Act of 2010 (P.L. 111–312) which reduced the FERS employees' Social Security payroll tax rate from 6.2 percent to 4.2 percent for two years (2011 and 2012). The Social Security rate reduction was temporary and was not extended as part of the American taxpayer Relief Act. Therefore, the 2013 Social Security tax rate will revert back to the historical level of 6.2 percent.

The Budget proposes amendments to employer and employee FERS and CSRS contributions, as well as the introduction of a FERS phased retirement program and elimination of the FERS annuity Supplement for new federal employees, described in legislative proposal sections, below.

	2012 actual	2013 est.	2014 est.
Active employees .....	2,784,000	2,733,000	2,706,000
Annuitants:			
Employees .....	1,950,514	1,982,388	2,033,580
Survivors .....	593,770	581,605	569,971
Total, annuitants .....	2,544,284	2,563,993	2,603,551

Status of Funds (in millions of dollars)

Identification code 24–8135–0–7–602	2012 actual	2013 CR	2014 est.
Unexpended balance, start of year:			
0100 Balance, start of year .....	803,848	826,571	839,733
0199 Total balance, start of year .....	803,848	826,571	839,733
Cash income during the year:			
Current law:			
Receipts:			
1200 Employee Contributions, Civil Service Retirement and Disability Fund .....	3,012	3,023	3,003
1202 District of Columbia Contributions, Civil Service Retirement and Disability Fund .....	28	19	17
1203 Employee Deposits, Redeposits and Other Contributions, Civil Service Retirement and Disability Fund .....	655	661	670

1240 Offsetting receipts (intragovernmental):			
Agency Contributions, Civil Service Retirement and Disability Fund .....	21,484	21,824	22,190
1242 Postal Service Agency Contributions, Civil Service Retirement and Disability Fund .....	3,879	3,600	3,524
1243 FFB, TVA, and USPS Interest, Civil Service Retirement and Disability Fund .....	392	329	263
1244 Treasury Interest, Civil Service Retirement and Disability Fund .....	34,257	31,302	29,697
1245 General Fund Payment to the Civil Service Retirement and Disability Fund .....	33,023	32,374	33,174
1247 Re-employed Annuitants Salary Offset, Civil Service Retirement and Disability Fund .....	50	51	52
1299 Income under present law .....	96,780	93,183	92,590
Proposed legislation:			
Receipts:			
2201 Employee Contributions, Civil Service Retirement and Disability Fund .....			800
Offsetting receipts (intragovernmental):			
2241 Agency Contributions, Civil Service Retirement and Disability Fund .....			-17
2246 General Fund Payment to the Civil Service Retirement and Disability Fund .....			-34
2299 Income under proposed legislation .....			749
3299 Total cash income .....	96,780	93,183	93,339
Cash outgo during year:			
Current law:			
4500 Civil Service Retirement and Disability Fund .....	-74,057	-77,421	-81,025
4599 Outgo under current law (-) .....	-74,057	-77,421	-81,025
Proposed legislation:			
5500 Civil Service Retirement and Disability Fund .....		-2,600	-4,430
5599 Outgo under proposed legislation (-) .....		-2,600	-4,430
6599 Total cash outgo (-) .....	-74,057	-80,021	-85,455
Unexpended balance, end of year:			
8700 Uninvested balance (net), end of year .....	16	-2,543	-6,172
8701 Civil Service Retirement and Disability Fund .....	826,555	842,276	853,789
8799 Total balance, end of year .....	826,571	839,733	847,617

Object Classification (in millions of dollars)

Identification code 24–8135–0–7–602	2012 actual	2013 CR	2014 est.
Direct obligations:			
25.2 Other services from non-Federal sources .....	148	91	98
42.0 Insurance claims and indemnities .....	73,981	77,352	80,921
44.0 Refunds and death claims .....	377	284	288
99.9 Total new obligations .....	74,506	77,727	81,307

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	2012 actual	2013 CR	2014 est.
Obligations by program activity:			
0006 USPS Refund .....		2,600	4,430
0900 Total new obligations (object class 44.0) .....		2,600	4,430
Budgetary Resources:			
Budget authority:			
Appropriations, mandatory:			
1203 Appropriation (previously unavailable) .....		2,600	4,430
1260 Appropriations, mandatory (total) .....		2,600	4,430
1930 Total budgetary resources available .....		2,600	4,430
Change in obligated balance:			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts .....		2,600	4,430
3020 Outlays (gross) .....		-2,600	-4,430
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross .....		2,600	4,430
Outlays, gross:			
4100 Outlays from new mandatory authority .....		2,600	4,430
4180 Budget authority, net (total) .....		2,600	4,430
4190 Outlays, net (total) .....		2,600	4,430

The Budget proposes to return to the United States Postal Service (USPS) surplus amounts it has paid into its Office of Personnel Management (OPM) account for its share of Federal Employee Retirement System costs, and requires that OPM calculate these costs using factors specific to the demographics of the Postal Service workforce. OPM has determined this surplus, as of September 30, 2011, and based on government-wide demographic assumptions, is approximately \$2.6 billion. Given the amount of time necessary for OPM to re-calculate this surplus to account for Postal-specific factors, the Budget would provide the current OPM calculation in 2013, and the remainder of any recalculated surplus in 2014 and 2015. Until OPM has recalculated the surplus amount using Postal-specific factors, the Budget assumes as a placeholder a total surplus of \$11.5 billion, as estimated by the Postal Service Office of Inspector General in December 2012 (and based on USPS investment returns, salary growth rates, cost of living adjustments granted to Postal retirees, and Postal Service demographic trends). See also the Postal Service section of this Appendix.

The 2014 Budget also contains a legislative proposal that impacts the financing and benefits payable under the Civil Service Retirement System. The Budget proposes to Increase Existing Employee Contributions to CSRS and FERS Retirement Systems by 1.2% of salaries phased in over three years. This proposal would increase the normal cost for employees and maintain the employers share at its current contribution rate. This proposal is projected to save the Federal Government approximately \$20 Billion dollars over a ten-year period (2014 through 2023).

3200	Obligated balance, end of year .....	478	380	394
<b>Budget authority and outlays, net:</b>				
Discretionary:				
4000	Budget authority, gross .....	2	5	6
Outlays, gross:				
4010	Outlays from new discretionary authority .....	1	5	6
4011	Outlays from discretionary balances .....	1	1	.....
4020	Outlays, gross (total) .....	2	6	6
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
Mandatory:				
4090	Budget authority, gross .....	4,259	4,553	4,092
Outlays, gross:				
4100	Outlays from new mandatory authority .....	1,858	2,022	2,077
4101	Outlays from mandatory balances .....	814	815	677
4110	Outlays, gross (total) .....	2,672	2,837	2,754
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4120	Federal sources .....	-550	-517	-515
4121	Interest on Federal securities .....	-1,028	-1,474	-950
4123	Non-Federal sources .....	-2,679	-2,605	-2,630
4130	Offsets against gross budget authority and outlays (total) ....	-4,257	-4,596	-4,095
Additional offsets against gross budget authority only:				
4140	Change in uncollected pymts, Fed sources, unexpired .....	-4	41	-3
4160	Budget authority, net (mandatory) .....	-2	-2	-6
4170	Outlays, net (mandatory) .....	-1,585	-1,759	-1,341
4180	Budget authority, net (total) .....	.....	3	.....
4190	Outlays, net (total) .....	-1,583	-1,753	-1,335
<b>Memorandum (non-add) entries:</b>				
5000	Total investments, SOY: Federal securities: Par value .....	39,678	41,250	41,522
5001	Total investments, EOY: Federal securities: Par value .....	41,250	41,522	42,843

EMPLOYEES LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 24-8424-0-8-602	2012 actual	2013 CR	2014 est.	
<b>Obligations by program activity:</b>				
0801	Basic life insurance payments .....	1,569	1,575	1,623
0802	Optional life insurance payments .....	1,143	1,121	1,145
0803	Shenandoah life insurance payments .....	1	1	1
0804	Administration—OPM & OIG .....	2	5	6
0805	Administration—long term care .....	2	2	2
0900	Total new obligations (object class 25.2) .....	2,717	2,704	2,777
<b>Budgetary Resources:</b>				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1 .....	38,782	40,326	42,180
Budget authority:				
Spending authority from offsetting collections, discretionary:				
1700	Collected .....	2	5	6
1750	Spending auth from offsetting collections, disc (total) .....	2	5	6
Spending authority from offsetting collections, mandatory:				
1800	Collected .....	4,255	4,594	4,089
1801	Change in uncollected payments, Federal sources .....	4	-41	3
1850	Spending auth from offsetting collections, mand (total) .....	4,259	4,553	4,092
1900	Budget authority (total) .....	4,261	4,558	4,098
1930	Total budgetary resources available .....	43,043	44,884	46,278
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year .....	40,326	42,180	43,501
<b>Change in obligated balance:</b>				
Unpaid obligations:				
3000	Unpaid obligations, brought forward, Oct 1 .....	815	858	719
3010	Obligations incurred, unexpired accounts .....	2,717	2,704	2,777
3020	Outlays (gross) .....	-2,674	-2,843	-2,760
3050	Unpaid obligations, end of year .....	858	719	736
Uncollected payments:				
3060	Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-376	-380	-339
3070	Change in uncollected pymts, Fed sources, unexpired .....	-4	41	-3
3090	Uncollected pymts, Fed sources, end of year .....	-380	-339	-342
Memorandum (non-add) entries:				
3100	Obligated balance, start of year .....	439	478	380

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.

The Administration proposes that PTO will fund the accruing costs associated with post-retirement life insurance benefits for PTO's employees.

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

	2012 actual	2013 est.	2014 est.
Life insurance in force (in billions of dollars):			
On active employees .....	741.6	735.7	729.9
On retired employees .....	84.6	86.8	89.0
On tribal employees .....	0	0.3	0.6
<b>Total .....</b>	<b>826.2</b>	<b>822.8</b>	<b>819.5</b>
Number of participants (in thousands):			
Active employees .....	2,429	2,395	2,362
Annuitants .....	1,639	1,655	1,671
Tribal employees .....	0	1	2
<b>Total .....</b>	<b>4,068</b>	<b>4,051</b>	<b>4,036</b>

**Financing.**—Non-Postal Service employees, employees of Tribal organizations, and all retirees under 65 pay two-thirds of the premium costs for Basic coverage; agencies and tribal organizations 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:

	2012 actual	2013 est.	2014 est.
Status of Reserves			
Held in reserve (in millions of dollars):			
Contingency reserve .....	305	305	305
Beneficial association program reserve .....	0	0	0
U.S. Treasury reserve .....	40,770	42,624	42,965
<b>Total reserves .....</b>	<b>41,075</b>	<b>42,929</b>	<b>43,270</b>

**EMPLOYEES LIFE INSURANCE FUND—Continued**  
**Object Classification** (in millions of dollars)

Identification code 24—8424—0—8—602	2012 actual	2013 CR	2014 est.
Reimbursable obligations:			
25.2 Other services from non-Federal sources .....	2,717	2,704	2,777
99.0 Reimbursable obligations .....	2,717	2,704	2,777

**EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS**  
**Program and Financing** (in millions of dollars)

Identification code 24—9981—0—8—551	2012 actual	2013 CR	2014 est.
<b>Obligations by program activity:</b>			
0801 Benefit payments .....	42,602	45,051	47,492
0802 Payments from OPM contingency reserve .....	155	300	300
0803 Government payment for annuitants (1960 Act) .....	1	1	1
0804 Administration - operations .....	16	24	21
0805 Administration - OIG .....	17	17	17
0806 Administration - dental and vision program .....	11	17	17
0900 Total new obligations (object class 25.6) .....	42,802	45,410	47,848

<b>Budgetary Resources:</b>			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1 .....	16,587	18,510	19,109
Budget authority:			
Spending authority from offsetting collections, discretionary:			
1700 Collected .....	33	41	38
1750 Spending auth from offsetting collections, disc (total) .....	33	41	38
Spending authority from offsetting collections, mandatory:			
1800 Collected .....	44,651	45,912	47,992
1801 Change in uncollected payments, Federal sources .....	41	56	92
1850 Spending auth from offsetting collections, mand (total) .....	44,692	45,968	48,084
1900 Budget authority (total) .....	44,725	46,009	48,122
1930 Total budgetary resources available .....	61,312	64,519	67,231
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year .....	18,510	19,109	19,383

<b>Change in obligated balance:</b>			
Unpaid obligations:			
3000 Unpaid obligations, brought forward, Oct 1 .....	4,418	4,622	4,687
3010 Obligations incurred, unexpired accounts .....	42,802	45,410	47,848
3020 Outlays (gross) .....	-42,598	-45,345	-47,814
3050 Unpaid obligations, end of year .....	4,622	4,687	4,721
Uncollected payments:			
3060 Uncollected pymts, Fed sources, brought forward, Oct 1 .....	-1,885	-1,926	-1,982
3070 Change in uncollected pymts, Fed sources, unexpired .....	-41	-56	-92
3090 Uncollected pymts, Fed sources, end of year .....	-1,926	-1,982	-2,074
Memorandum (non-add) entries:			
3100 Obligated balance, start of year .....	2,533	2,696	2,705
3200 Obligated balance, end of year .....	2,696	2,705	2,647

<b>Budget authority and outlays, net:</b>			
Discretionary:			
4000 Budget authority, gross .....	33	41	38
Outlays, gross:			
4010 Outlays from new discretionary authority .....	20	41	38
4011 Outlays from discretionary balances .....	13		
4020 Outlays, gross (total) .....	33	41	38
Mandatory:			
4090 Budget authority, gross .....	44,692	45,968	48,084
Outlays, gross:			
4100 Outlays from new mandatory authority .....	38,159	40,684	43,109
4101 Outlays from mandatory balances .....	4,406	4,620	4,667
4110 Outlays, gross (total) .....	42,565	45,304	47,776
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120 Policy Program [OIG] .....	-31,452	-32,185	-33,597
4121 Interest on Federal securities .....	-163	-321	-239
4123 Non-Federal sources .....	-13,069	-13,447	-14,194
4130 Offsets against gross budget authority and outlays (total) ....	-44,684	-45,953	-48,030
Additional offsets against gross budget authority only:			
4140 Change in uncollected pymts, Fed sources, unexpired .....	-41	-56	-92
4160 Budget authority, net (mandatory) .....	-33	-41	-38

4170 Outlays, net (mandatory) .....	-2,119	-649	-254
4190 Outlays, net (total) .....	-2,086	-608	-216

**Memorandum (non-add) entries:**

5000 Total investments, SOY: Federal securities: Par value .....	19,194	21,261	21,563
5001 Total investments, EOY: Federal securities: Par value .....	21,261	21,563	21,828

**Summary of Budget Authority and Outlays** (in millions of dollars)

	2012 actual	2013 CR	2014 est.
Enacted/requested:			
Outlays .....	-2,086	-608	-216
Legislative proposal, not subject to PAYGO:			
Outlays .....			7
Total:			
Outlays .....	-2,086	-608	-209

This display combines FEHB fund and the Retired Employees Health Benefits (REHB) fund.

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; 4) tribal organizations; and 5) the related expenses of 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:

	2012 actual	2013 est.	2014 est.
Active employees .....	1,723,000	1,719,000	1,719,000
Annuitants .....	1,872,000	1,903,000	1,923,000
Tribal Organizations .....	11,530	17,295	21,619
Total .....	3,606,530	3,639,295	3,663,619

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:

	2012 actual	2013 est.	2014 est.
Uniform plan .....	127	104	86
Private plans .....	309	254	209
Total .....	436	358	295

**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.

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, which 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.

The Budget proposes that the Patent and Trademark Office continue to fund the accruing costs associated with post-retirement health benefits for its employees. The Budget also proposes that the Office of Personnel Management (OPM) be given authority to streamline pharmacy benefit contracting within the FEHB program and leverage enrollees' purchasing power to reduce costs and obtain greater value for enrollees.

**Status of Funds** (in millions of dollars)

Identification code 24-9981-0-8-551	2012 actual	2013 CR	2014 est.
Unexpended balance, start of year:			
0100 Balance, start of year	19,121	21,206	21,814
0199 Total balance, start of year	19,121	21,206	21,814
Cash income during the year:			
Current law:			
Offsetting collections:			
1280 Employees and Retired Employees Health Benefits Funds	163	321	239
1281 Employees and Retired Employees Health Benefits Funds	13,069	13,447	14,194
1282 Employees and Retired Employees Health Benefits Funds	31,452	32,185	33,597
1299 Income under present law	44,684	45,953	48,030
3299 Total cash income	44,684	45,953	48,030
Cash outgo during year:			
Current law:			
4500 Employees and Retired Employees Health Benefits Funds	-42,598	-45,345	-47,814
4599 Outgo under current law (-)	-42,598	-45,345	-47,814
Proposed legislation:			
5500 Employees and Retired Employees Health Benefits Funds			-7
5599 Outgo under proposed legislation (-)			-7
6599 Total cash outgo (-)	-42,598	-45,345	-47,821
Manual Adjustments:			
7690 Rounding adjustment	-1		
7699 Total adjustments	-1		
Unexpended balance, end of year:			
8700 Uninvested balance (net), end of year	-55	251	195
8701 Employees and Retired Employees Health Benefits Funds	21,261	21,563	21,828
8799 Total balance, end of year	21,206	21,814	22,023

**Object Classification** (in millions of dollars)

Identification code 24-9981-0-8-551	2012 actual	2013 CR	2014 est.
Reimbursable obligations:			
25.6 Medical care	42,802	45,410	47,848
99.0 Reimbursable obligations	42,802	45,410	47,848

**EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS**  
(Legislative proposal, not subject to PAYGO)

**Program and Financing** (in millions of dollars)

Identification code 24-9981-2-8-551	2012 actual	2013 CR	2014 est.
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<b>Obligations by program activity:</b>			
0804 Administration - operations			7
0900 Total new obligations (object class 25.6)			7
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year			-7

<b>Change in obligated balance:</b>			
Unpaid obligations:			
3010 Obligations incurred, unexpired accounts			7
3020 Outlays (gross)			-7

<b>Budget authority and outlays, net:</b>			
Discretionary:			
Outlays, gross:			
4011 Outlays from discretionary balances			7
4190 Outlays, net (total)			7

**Object Classification** (in millions of dollars)

Identification code 24-9981-2-8-551	2012 actual	2013 CR	2014 est.
Reimbursable obligations:			
25.6 Medical care			7
99.0 Reimbursable obligations			7

**EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS**  
(Legislative proposal, subject to PAYGO)

The health insurance marketplace has changed significantly since the FEHBP was enacted in 1959 and the current governing statute leaves little flexibility for the program to evolve with the changing market. The 2014 Budget proposes that beginning in 2015: employees would be given the option to enroll in a self plus one coverage option rather than being limited to just self or family options; domestic partners of Federal employees and new retirees would be eligible for health benefits; OPM would be authorized to contract with modern types of health plans rather than being limited to the current four statutorily-defined plans reflective of the 1950s insurance market; OPM would be authorized to contract separately for pharmacy benefit management services; and OPM would be given authority to make adjustments to premiums based on an enrollee's tobacco use and/or participation in a wellness program.

**GENERAL FUND RECEIPT ACCOUNT**

(in millions of dollars)

	2012 actual	2013 CR	2014 est.
Offsetting receipts from the public:			
24-32200 All Other General Fund Proprietary Receipts Including Budget Clearing Accounts: Enacted/requested	17	2	2
General Fund Offsetting receipts from the public	17	2	2

This account represents general miscellaneous receipts of the Office of Personnel Management and receipts that must be returned to the General Fund of the Treasury.

