

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 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, \$100,027,000, of which \$6,004,000 shall remain available until expended for the Enterprise Human Resources Integration project, of which \$642,000 shall 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 \$1,416,000 shall remain available until expended for the Human Resources Line of Business project; and in addition \$132,523,000 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: 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 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 2012, 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 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111–242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 24–0100–0–1–805	2010 actual	CR	2012 est.
Obligations by program activity:			
0001 Employee Services	37	29	35
0002 Merit System Audit & Compliance	17	26	13
0003 Office of the Chief Financial Officer	28	1	.....
0004 Office of the Chief Information Officer	27	26	10
0005 Executive Services	16	14	23
0006 Planning & Policy Analysis	2	7	12
0007 Health and Insurance .....	.....	.....	7
0091 Direct program activities, subtotal	127	103	100
0100 Total direct program	127	103	100
0801 Trust Fund activity	210	113	133
0900 Total new obligations	337	216	233
Budgetary Resources:			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	12	29	38
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation	103	103	100

Spending authority from offsetting collections, discretionary:			
1700 Collected	204	122	133
1701 Change in uncollected payments, Federal sources	55	.....	.....
1750 Spending auth from offsetting collections, disc (total)	259	122	133
1900 Budget authority (total)	362	225	233
1930 Total budgetary resources available	374	254	271
Memorandum (non-add) entries:			
1940 Unobligated balance expiring	-8	.....	.....
1941 Unexpired unobligated balance, end of year	29	38	38
Change in obligated balance:			
Obligated balance, start of year (net):			
3000 Unpaid obligations, brought forward, Oct 1 (gross)	80	125	120
3010 Uncollected pymts, Fed sources, brought forward, Oct 1	-77	-104	-104
3020 Obligated balance, start of year (net)	3	21	16
3030 Obligations incurred, unexpired accounts	337	216	233
3031 Obligations incurred, expired accounts	1	.....	.....
3040 Outlays (gross)	-291	-221	-233
3050 Change in uncollected pymts, Fed sources, unexpired	-55	.....	.....
3051 Change in uncollected pymts, Fed sources, expired	28	.....	.....
3081 Recoveries of prior year unpaid obligations, expired	-2	.....	.....
Obligated balance, end of year (net):			
3090 Unpaid obligations, end of year (gross)	125	120	120
3091 Uncollected pymts, Fed sources, end of year	-104	-104	-104
3100 Obligated balance, end of year (net)	21	16	16
Budget authority and outlays, net:			
Discretionary:			
4000 Budget authority, gross	362	225	233
Outlays, gross:			
4010 Outlays from new discretionary authority	234	212	220
4011 Outlays from discretionary balances	57	9	13
4020 Outlays, gross (total)	291	221	233
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030 Federal sources	-225	-122	-133
Additional offsets against gross budget authority only:			
4050 Change in uncollected pymts, Fed sources, unexpired	-55	.....	.....
4052 Offsetting collections credited to expired accounts	21	.....	.....
4060 Additional offsets against budget authority only (total)	-34	.....	.....
4070 Budget authority, net (discretionary)	103	103	100
4080 Outlays, net (discretionary)	66	99	100
4180 Budget authority, net (total)	103	103	100
4190 Outlays, net (total)	66	99	100

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 2012 Budget will permit OPM to pursue long-term human resources strategies that deliver results and enhance the values of the civil service.

The functions and objectives of the OPM major organizations are:

Employee Services.—Provides policy direction and leadership in designing, developing and promulgating Government-wide human resources systems and programs for recruitment, pay, leave, performance management and recognition, employee development, work/life/wellness programs, and labor and employee relations. Employee Services also provides technical support to agencies on the full range of human resource man-

SALARIES AND EXPENSES—Continued

agement policies and practices, to include veterans employment and agency program evaluation.

Merit Systems Audit and Compliance.—Ensures that Federal agency human resources programs are effective and meet merit system principles and related civil service requirements. Merit Systems Audit and Compliance also manages the Combined Federal Campaign and performs voting rights observations for the Justice Department.

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 2012 Budget includes funding to maintain timely processing of retirement claims and provide services to Federal annuitants.

Healthcare and Insurance.—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 will negotiate and administer 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	2010 actual	CR	2012 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	64	51	50
11.3 Other than full-time permanent	1	1	1
11.5 Other personnel compensation	2	1	1
11.9 Total personnel compensation	67	53	52
12.1 Civilian personnel benefits	20	14	13
21.0 Travel and transportation of persons	1	3	3
23.3 Communications, utilities, and miscellaneous charges	7	7	7
24.0 Printing and reproduction	3	4	4
25.2 Other services from non-federal sources	20	18	17
26.0 Supplies and materials	3	2	2
31.0 Equipment	6	2	2
99.0 Direct obligations	127	103	100
99.0 Reimbursable obligations	210	113	133
99.9 Total new obligations	337	216	233

Employment Summary

Identification code 24-0100-0-1-805	2010 actual	CR	2012 est.
1001 Direct civilian full-time equivalent employment	769	791	791
2001 Reimbursable civilian full-time equivalent employment	866	909	909

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, \$3,804,000, and in addition, not to exceed \$21,559,000 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 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 24-0400-0-1-805	2010 actual	CR	2012 est.
Obligations by program activity:			
0001 Direct program activity: Program oversight (audits, investigations, etc.)	3	3	4
0801 Reimbursable program activity	19	21	21
0900 Total new obligations	22	24	25
Budgetary Resources:			
Budget authority:			
Appropriations, discretionary:			
1100 Appropriation	3	3	4
Spending authority from offsetting collections, discretionary:			
1700 Collected	17	21	21
1701 Change in uncollected payments, Federal sources	4		
1750 Spending auth from offsetting collections, disc (total)	21	21	21
1900 Budget authority (total)	24	24	25
1930 Total budgetary resources available	24	24	25
Memorandum (non-add) entries:			
1940 Unobligated balance expiring	-2		
Change in obligated balance:			
Obligated balance, start of year (net):			
3000 Unpaid obligations, brought forward, Oct 1 (gross)	4	5	5
3010 Uncollected pymts, Fed sources, brought forward, Oct 1	-6	-7	-7
3020 Obligated balance, start of year (net)	-2	-2	-2
3030 Obligations incurred, unexpired accounts	22	24	25
3040 Outlays (gross)	-21	-24	-24
3050 Change in uncollected pymts, Fed sources, unexpired	-4		
3051 Change in uncollected pymts, Fed sources, expired	3		
Obligated balance, end of year (net):			
3090 Unpaid obligations, end of year (gross)	5	5	6
3091 Uncollected pymts, Fed sources, end of year	-7	-7	-7
3100 Obligated balance, end of year (net)	-2	-2	-1
Budget authority and outlays, net:			
Discretionary:			
4000 Budget authority, gross	24	24	25
Outlays, gross:			
4010 Outlays from new discretionary authority	19	24	24
4011 Outlays from discretionary balances	2		
4020 Outlays, gross (total)	21	24	24
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4030 Federal sources	-20	-21	-21
Additional offsets against gross budget authority only:			
4050 Change in uncollected pymts, Fed sources, unexpired	-4		

4052	Offsetting collections credited to expired accounts	3		
4060	Additional offsets against budget authority only (total)	-1		
4070	Budget authority, net (discretionary)	3	3	4
4080	Outlays, net (discretionary)	1	3	3
4180	Budget authority, net (total)	3	3	4
4190	Outlays, net (total)	1	3	3

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 2010, the Office of Inspector General (OIG) activities resulted in positive financial impacts of \$66 million and led to 75 arrests, 81 indictments, 107 criminal convictions, and 682 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, agency contract audits, 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. Contract audits provide professional advice to agency contracting officials regarding the negotiation, award, administration, repricing, and settlement of contracts. 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 2012, 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. OPM estimates that approximately 29 percent of FEHBP expenses, or over \$13 billion in 2012 will be for prescription drugs. 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 2012. 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 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. The OIG is also assisting OPM with plans for an FEHBP data warehouse and is currently discussing the possibility of a shared approach.

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 \$1.8 billion in 2012.

Object Classification (in millions of dollars)

Identification code 24-0400-0-1-805	2010 actual	CR	2012 est.
Direct obligations:			
11.1 Personnel compensation: Full-time permanent	2	2	3
12.1 Civilian personnel benefits	1	1	1
99.0 Direct obligations	3	3	4
99.0 Reimbursable obligations	19	21	21
99.9 Total new obligations	22	24	25

Employment Summary

Identification code 24-0400-0-1-805	2010 actual	CR	2012 est.
1001 Direct civilian full-time equivalent employment	7	22	22
2001 Reimbursable civilian full-time equivalent employment	117	125	125

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 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 24-0206-0-1-551	2010 actual	CR	2012 est.
Obligations by program activity:			
0001 Government contribution for annuitants benefits (1959 Act)	9,641	10,184	10,909
0002 Government contribution for annuitants benefits (1960 Act)	1	1	1
0900 Total new obligations (object class 13.0)	9,642	10,185	10,910
Budgetary Resources:			
Budget authority:			
Appropriations, mandatory:			
1200 Appropriation	9,642	10,185	10,910
1930 Total budgetary resources available	9,642	10,185	10,910
Change in obligated balance:			
Obligated balance, start of year (net):			
3000 Unpaid obligations, brought forward, Oct 1 (gross)	946	1,073	1,130
3030 Obligations incurred, unexpired accounts	9,642	10,185	10,910
3040 Outlays (gross)	-9,515	-10,128	-10,845
Obligated balance, end of year (net):			
3090 Unpaid obligations, end of year (gross)	1,073	1,130	1,195
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross	9,642	10,185	10,910
Outlays, gross:			
4100 Outlays from new mandatory authority	8,569	8,681	9,783
4101 Outlays from mandatory balances	946	1,447	1,062
4110 Outlays, gross (total)	9,515	10,128	10,845
4180 Budget authority, net (total)	9,642	10,185	10,910
4190 Outlays, net (total)	9,515	10,128	10,845

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

	2010 actual	CR	2012 est.
Enacted/requested:			
Budget Authority	9,642	10,185	10,910

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH
BENEFITS—Continued

Summary of Budget Authority and Outlays—Continued

	2010 actual	CR	2012 est.
Outlays	9,515	10,128	10,845
Legislative proposal, subject to PAYGO:			
Budget Authority			-93
Outlays			-82
Total:			
Budget Authority	9,642	10,185	10,817
Outlays	9,515	10,128	10,763

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.

	2010 actual	2011 est.	2012 est.
Annuitants:			
FEHB	1,869,821	1,889,000	1,907,000
(USPS non-add)	472,942	475,000	477,000
REHB	624	512	420
Total, annuitants	1,870,445	1,889,512	1,907,420

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS
(Legislative proposal, subject to PAYGO)

Program and Financing (in millions of dollars)

Identification code 24-0206-4-1-551	2010 actual	CR	2012 est.
Obligations by program activity:			
0001 Government contribution for annuitants benefits (1959 Act)			-93
0900 Total new obligations (object class 13.0)			-93

Budgetary Resources:			
Budget authority:			
Appropriations, mandatory:			
Appropriation			-93
1200 Total budgetary resources available			-93

Change in obligated balance:			
Obligated balance, start of year (net):			
Unpaid obligations, brought forward, Oct 1 (gross)			
3000 Obligations incurred, unexpired accounts			-93
3040 Outlays (gross)			82
Obligated balance, end of year (net):			
3090 Unpaid obligations, end of year (gross)			-11

Budget authority and outlays, net:			
Mandatory:			
Budget authority, gross			-93
Outlays, gross:			
Outlays from new mandatory authority			-82
4100 Budget authority, net (total)			-93
4190 Outlays, net (total)			-82

The Budget 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.

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 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 24-0500-0-1-602	2010 actual	CR	2012 est.
Obligations by program activity:			
0001 Direct program activity	44	47	47
0900 Total new obligations (object class 25.2)	44	47	47

Budgetary Resources:			
Budget authority:			
Appropriations, mandatory:			
Appropriation	44	47	47
1200 Total budgetary resources available	44	47	47

Change in obligated balance:			
Obligated balance, start of year (net):			
Unpaid obligations, brought forward, Oct 1 (gross)	5	6	6
3030 Obligations incurred, unexpired accounts	44	47	47
3040 Outlays (gross)	-43	-47	-47
Obligated balance, end of year (net):			
3090 Unpaid obligations, end of year (gross)	6	6	6

Budget authority and outlays, net:			
Mandatory:			
Budget authority, gross	44	47	47
Outlays, gross:			
Outlays from new mandatory authority		47	47
4100 Outlays from mandatory balances	43		
4110 Outlays, gross (total)	43	47	47
4180 Budget authority, net (total)	44	47	47
4190 Outlays, net (total)	43	47	47

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 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111-242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

Program and Financing (in millions of dollars)

Identification code 24-0200-0-1-805	2010 actual	CR	2012 est.
Obligations by program activity:			
0002 Payment of Government share of retirement costs	11,217	10,998	10,898
0003 Transfers for interest on unfunded liability and payment of military service annuities	21,879	22,700	22,500
0005 Spouse equity payment	80	80	80
0900 Total new obligations	33,176	33,778	33,478

Budgetary Resources:			
Budget authority:			
Appropriations, mandatory:			
Appropriation	21,879	22,700	22,500

1200	Appropriation	11,297	11,078	10,978
1260	Appropriations, mandatory (total)	33,176	33,778	33,478
1930	Total budgetary resources available	33,176	33,778	33,478
Change in obligated balance:				
3030	Obligations incurred, unexpired accounts	33,176	33,778	33,478
3040	Outlays (gross)	-33,176	-33,778	-33,478
Budget authority and outlays, net:				
Mandatory:				
4090	Budget authority, gross	33,176	33,778	33,478
Outlays, gross:				
4100	Outlays from new mandatory authority	33,176	33,778	33,478
4180	Budget authority, net (total)	33,176	33,778	33,478
4190	Outlays, net (total)	33,176	33,778	33,478

The Payment to the Civil Service Retirement and Disability Fund consists of an appropriation and a permanent indefinite authorization to pay the Governments' 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		2010 actual	CR	2012 est.
Direct obligations:				
12.1	Civilian personnel benefits	11,297	11,078	10,978
13.0	Benefits for former personnel	21,879	22,700	22,500
99.9	Total new obligations	33,176	33,778	33,478

FLEXIBLE BENEFITS PLAN RESERVE

Program and Financing (in millions of dollars)

Identification code 24-0800-0-1-805		2010 actual	CR	2012 est.
Obligations by program activity:				
0801	FSA FECS Risk Reserve	23	24	25
0900	Total new obligations (object class 25.6)	23	24	25
Budgetary Resources:				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	48	63	64
Budget authority:				
Spending authority from offsetting collections, mandatory:				
1800	Collected	38	25	25
1930	Total budgetary resources available	86	88	89
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year	63	64	64
Change in obligated balance:				
3030	Obligations incurred, unexpired accounts	23	24	25
3040	Outlays (gross)	-23	-24	-25
Budget authority and outlays, net:				
Mandatory:				
4090	Budget authority, gross	38	25	25
Outlays, gross:				
4100	Outlays from new mandatory authority	23	24	25
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4120	Federal sources	-18	-4	-4
4123	Non-Federal sources	-20	-21	-21
4130	Offsets against gross budget authority and outlays (total)	-38	-25	-25
4160	Budget authority, net (mandatory)			
4170	Outlays, net (mandatory)	-15	-1	
4180	Budget authority, net (total)			
4190	Outlays, net (total)	-15	-1	

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.

POSTAL SERVICE RETIREE HEALTH BENEFITS FUND

Special and Trust Fund Receipts (in millions of dollars)

Identification code 24-5391-0-2-551		2010 actual	CR	2012 est.
0100	Balance, start of year	35,115	42,115	45,202
Receipts:				
0240	Postal Service Contributions for Current Workers, Postal Service Retiree Health Benefits Fund - legislative proposal subject to PAYGO		3,042	3,173
0241	Earnings on Investments, Postal Service Retiree Health Benefits Fund	1,500	1,583	1,640
0242	Earnings on Investments, Postal Service Retiree Health Benefits Fund - legislative proposal subject to PAYGO			-47
0243	Postal Service Contributions for Benefits Paid to Retirees, Postal Service Retiree Health Benefits Fund	5,500	5,500	5,600
0244	Postal Service Contributions for Benefits Paid to Retirees, Postal Service Retiree Health Benefits Fund - legislative proposal subject to PAYGO		-4,607	-444
0299	Total receipts and collections	7,000	5,518	9,922
0400	Total: Balances and collections	42,115	47,633	55,124
Appropriations:				
0500	Postal Service Retiree Health Benefits Fund	-7,000	-7,083	-7,240
0501	Postal Service Retiree Health Benefits Fund	7,000	7,083	7,240
0502	Postal Service Retiree Health Benefits Fund - legislative proposal subject to PAYGO		1,565	-2,682

POSTAL SERVICE RETIREE HEALTH BENEFITS FUND—Continued
Special and Trust Fund Receipts—Continued

Identification code 24–5391–0–2–551	2010 actual	CR	2012 est.
0503 Postal Service Retiree Health Benefits Fund - legislative proposal subject to PAYGO		-3,996	-51
0599 Total appropriations		-2,431	-2,733
0799 Balance, end of year	42,115	45,202	52,391

Program and Financing (in millions of dollars)

Identification code 24–5391–0–2–551	2010 actual	CR	2012 est.
Budgetary Resources:			
Budget authority:			
Appropriations, mandatory:			
1201 Appropriation (special fund)	7,000	7,083	7,240
1235 Appropriations precluded from obligation	-7,000	-7,083	-7,240
1260 Appropriations, mandatory (total)			
1930 Total budgetary resources available			

Budget authority and outlays, net:

Mandatory:			
4090 Budget authority, gross			
4180 Budget authority, net (total)			
4190 Outlays, net (total)			

Memorandum (non-add) entries:

5000 Total investments, SOY: Federal securities: Par value	35,115	42,115	49,198
5001 Total investments, EOY: Federal securities: Par value	42,115	49,198	56,438

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	2010 actual	CR	2012 est.
Obligations by program activity:			
0001 Payment to FEHBP		2,431	2,733

0900 Total new obligations (object class 13.0)	2,431		2,733
--	-------	--	-------

Budgetary Resources:

Budget authority:			
Appropriations, mandatory:			
1201 Appropriation (special fund)	-1,565		2,682
1235 Appropriations precluded from obligation	3,996		51
1260 Appropriations, mandatory (total)	2,431		2,733
1930 Total budgetary resources available	2,431		2,733

Change in obligated balance:

3030 Obligations incurred, unexpired accounts	2,431		2,733
3040 Outlays (gross)	-2,431		-2,733

Budget authority and outlays, net:

Mandatory:			
4090 Budget authority, gross	2,431		2,733
Outlays, gross:			
4100 Outlays from new mandatory authority	2,431		2,733
4180 Budget authority, net (total)	2,431		2,733
4190 Outlays, net (total)	2,431		2,733

Memorandum (non-add) entries:

5000 Total investments, SOY: Federal securities: Par value			-3,996
5001 Total investments, EOY: Federal securities: Par value		-3,996	-4,047

The Budget proposes to shift how the Postal Service (USPS) pre-funds its retiree health benefits unfunded liability (UFL). Under current law, from 2011 to 2016, USPS must make a stream of payments set in statute toward paying down retiree health benefit unfunded liabilities, as well as pay annual 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 UFL for current retirees.

Under the proposal, starting in 2011, 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, USPS would be provided temporary financial relief as the 2011 payment would be adjusted so that USPS would pay \$4 billion less than what it would have paid to this Fund under current law. USPS would make up this \$4 billion payment to the Fund by paying larger amounts in future years. Beginning in 2022, USPS would pay the remaining UFL, amortized over 40 year period.

This proposal provides the following benefits to USPS: 1) USPS would be provided temporary financial relief in the form of a lower payment in 2011; 2) The new calculations of normal cost and UFL are based on new actuarial assumptions that reflect that USPS has fewer employees than in 2006, when the pre-funding mechanism was originally adopted—therefore the actual annual payments for the normal costs would be 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 the Postal Service section of this Appendix for further information on this proposal.

REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 24–4571–0–4–805	2010 actual	CR	2012 est.
Obligations by program activity:			
0801 Talent services	1,052	715	750
0802 Investigation services	1,075	970	999
0803 Leadership capacity services	77		
0804 Enterprise human resources integration	50	102	80
0805 USAJOBS/PMF		11	16

0900	Total new obligations	2,254	1,798	1,845
Budgetary Resources:				
Unobligated balance:				
1000	Unobligated balance brought forward, Oct 1	857	694	809
1021	Recoveries of prior year unpaid obligations	11		
1050	Unobligated balance (total)	868	694	809
Budget authority:				
Spending authority from offsetting collections, discretionary:				
1700	Collected	1,552	1,913	1,945
1701	Change in uncollected payments, Federal sources	528		
1750	Spending auth from offsetting collections, disc (total)	2,080	1,913	1,945
1930	Total budgetary resources available	2,948	2,607	2,754
Memorandum (non-add) entries:				
1941	Unexpired unobligated balance, end of year	694	809	909
Change in obligated balance:				
Obligated balance, start of year (net):				
3000	Unpaid obligations, brought forward, Oct 1 (gross)	548	1,047	932
3010	Uncollected pymts, Fed sources, brought forward, Oct 1	-644	-1,172	-1,172
3020	Obligated balance, start of year (net)	-96	-125	-240
3030	Obligations incurred, unexpired accounts	2,254	1,798	1,845
3040	Outlays (gross)	-1,744	-1,913	-1,945
3050	Change in uncollected pymts, Fed sources, unexpired	-528		
3080	Recoveries of prior year unpaid obligations, unexpired	-11		
Obligated balance, end of year (net):				
3090	Unpaid obligations, end of year (gross)	1,047	932	832
3091	Uncollected pymts, Fed sources, end of year	-1,172	-1,172	-1,172
3100	Obligated balance, end of year (net)	-125	-240	-340
Budget authority and outlays, net:				
Discretionary:				
4000	Budget authority, gross	2,080	1,913	1,945
Outlays, gross:				
4010	Outlays from new discretionary authority		1,913	1,945
4011	Outlays from discretionary balances	1,744		
4020	Outlays, gross (total)	1,744	1,913	1,945
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
4030	Federal sources	-1,552	-1,913	-1,945
Additional offsets against gross budget authority only:				
4050	Change in uncollected pymts, Fed sources, unexpired	-528		
4070	Budget authority, net (discretionary)			
4080	Outlays, net (discretionary)	192		
4180	Budget authority, net (total)			
4190	Outlays, net (total)	192		

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 organization partners with agencies to meet their missions by providing effective human resources solutions that develop leaders committed to public service values, attract and build a high quality public sector workforce, and transform agencies into high performing organizations. Human Resources Solutions recovers costs of operations by managing tens of thousands in agency reimbursable agreements from over 150 Federal customers. This is achieved by providing high quality and competitively priced programs and services. These cost-effective products and services span the employment life cycle from recruitment and selection through training and development.

In response to the dynamic customer demand for products and services, Human Resources Solutions comprehensive plan for fiscal years 2011 and 2012 includes continued delivery of the full array of Human Resource services such as staffing products and services (examining, testing, tailored recruitment and branding, and automated staffing technology), human resources consulting, and leadership training. Initiatives include implementing a balanced scorecard framework to assess performance, and investing in research and development for enhancing product and service offerings to more effectively meet customer demand.

OPM's Employee Services/Recruitment organization designs, develops, and promulgates merit-based employment systems, policies, regulations, and programs that Federal agencies use to recruit, examine, hire, classify, and assess high quality employees from diverse backgrounds; student recruitment, hiring and training, development programs, policies, and regulations. Recruitment also designs, develops and manages OPMs USAJOBS the Federal governments official source for Federal jobs and employment information. The USAJOBS system serves as the one-stop solution for bringing government recruiters and job seekers together, giving recruiters the ability to create and advertise government jobs, search through job seeker resumes, and manage the hiring process through a Web interface. It provides job seekers the ability to create and advertise their resumes, search for government jobs, and apply for a job directly through the Web interface. Regulations contained in 5 CFR Parts 330, 333, and 335 that implement section 4 of Public Law 104-52 authorize OPM to charge fees to agencies to pay the cost of providing Federal employment information and services through USAJOBS.

OPM's Federal Investigative Services organization provides personnel background investigative services to determine individuals 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 more than 90 percent of the Federal Governments background investigations concerning Federal employees, contractors, and military members for various Federal agencies. 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.

Federal Investigative Services will continue to fund major initiatives that support the quality and timeliness of the investigative process and start new efforts such as the Transformation project (new SF86 form will be released with increased efficiencies, e-signature capabilities, and other improvements), and redesign the investigative processes and procedures, laying the groundwork for implementation of the Federal investigative standards.

Within these programs, the revolving fund fully or partially supports three E-Government projects: E-Clearance, the Human Resources Line of Business, and Enterprise Human Resources Integration. On a fee-for-service basis, the Enterprise Human Resources Integration project provides Federal agencies with an electronic official personnel folder (eOPF) system, as well as workforce analysis and other analytical tools. These tools streamline and automate the electronic exchange of standardized HR data and provide comprehensive workforce analysis, forecasting, and reporting capabilities across the Executive Branch for the strategic management of human resources.

Financing.—This account gains spending authority from agreements with other Federal agencies who are seeking services as described above.

Operating Results.—In fiscal year 2010, OPM's revolving fund businesses had a net gain on operations of \$20 million. These resources will be utilized to continue the automation of the background investigation process, enhance the functionality of the USAJOBS system, and various other program improvements.

REVOLVING FUND—Continued
Object Classification (in millions of dollars)

Identification code 24-4571-0-4-805	2010 actual	CR	2012 est.
Reimbursable obligations:			
Personnel compensation:			
11.1 Full-time permanent	251	200	206
11.5 Other personnel compensation	51	41	42
11.9 Total personnel compensation	302	241	248
12.1 Civilian personnel benefits	75	60	61
21.0 Travel and transportation of persons	31	25	25
22.0 Transportation of things	1	1	1
23.1 Rental payments to GSA	18	14	15
23.3 Communications, utilities, and miscellaneous charges	22	17	18
24.0 Printing and reproduction	3	2	2
25.2 Other services from non-federal sources	1,759	1,404	1,440
26.0 Supplies and materials	9	7	7
31.0 Equipment	34	27	28
99.0 Reimbursable obligations	2,254	1,798	1,845
99.9 Total new obligations	2,254	1,798	1,845

Employment Summary

Identification code 24-4571-0-4-805	2010 actual	CR	2012 est.
2001 Reimbursable civilian full-time equivalent employment	3,072	3,557	3,558

Trust Funds

CIVIL SERVICE RETIREMENT AND DISABILITY FUND
Special and Trust Fund Receipts (in millions of dollars)

Identification code 24-8135-0-7-602	2010 actual	CR	2012 est.
0100 Balance, start of year	748,195	774,161	796,980
Adjustments:			
0191 Rounding adjustment	1		
0199 Balance, start of year	748,196	774,161	796,980
Receipts:			
0200 Employee Contributions, Civil Service Retirement and Disability Fund	3,373	3,616	3,330
0201 District of Columbia Contributions, Civil Service Retirement and Disability Fund	35	26	23
0202 Employee Deposits, Redeposits and Other Contributions, Civil Service Retirement and Disability Fund	608	635	654
0240 Agency Contributions, Civil Service Retirement and Disability Fund	18,894	18,739	19,161
0241 Postal Service Agency Contributions, Civil Service Retirement and Disability Fund	2,899	3,707	3,800
0242 FFB, TVA, and USPS Interest, Civil Service Retirement and Disability Fund	552	474	391
0243 Treasury Interest, Civil Service Retirement and Disability Fund	36,076	34,243	34,255
0244 General Fund Payment to the Civil Service Retirement and Disability Fund	33,176	33,778	33,478
0245 Re-employed Annuitants Salary Offset, Civil Service Retirement and Disability Fund	50	56	57
0299 Total receipts and collections	95,663	95,274	95,149
0400 Total: Balances and collections	843,859	869,435	892,129
Appropriations:			
0500 Civil Service Retirement and Disability Fund	-102	-102	-102
0501 Civil Service Retirement and Disability Fund	-95,560	-95,274	-95,149
0502 Civil Service Retirement and Disability Fund	25,964	23,471	20,785
0503 Civil Service Retirement and Disability Fund - legislative proposal subject to PAYGO		-550	-550
0599 Total appropriations	-69,698	-72,455	-75,016
0799 Balance, end of year	774,161	796,980	817,113

Program and Financing (in millions of dollars)

Identification code 24-8135-0-7-602	2010 actual	CR	2012 est.
Obligations by program activity:			
0001 Annuities	69,261	71,525	74,115
0002 Refunds and death claims	293	278	249

0003 Administration - operations	137	95	95
0004 Transfer to MSPB	3	3	3
0005 Administration - OIG	4	4	4
9900 Total new obligations	69,698	71,905	74,466

Budgetary Resources:

Budget authority:			
Appropriations, discretionary:			
1102 Appropriation (trust fund)	102	102	102
Appropriations, mandatory:			
1202 Appropriation (trust fund)	95,560	95,274	95,149
1235 Portion precluded from balances	-25,964	-23,471	-20,785
1260 Appropriations, mandatory (total)	69,596	71,803	74,364
1900 Budget authority (total)	69,698	71,905	74,466
1930 Total budgetary resources available	69,698	71,905	74,466

Change in obligated balance:

Obligated balance, start of year (net):			
3000 Unpaid obligations, brought forward, Oct 1 (gross)	6,067	6,223	6,430
3030 Obligations incurred, unexpired accounts	69,698	71,905	74,466
3040 Outlays (gross)	-69,542	-71,698	-74,247
Obligated balance, end of year (net):			
3090 Unpaid obligations, end of year (gross)	6,223	6,430	6,649

Budget authority and outlays, net:

Discretionary:			
4000 Budget authority, gross	102	102	102
Outlays, gross:			
4010 Outlays from new discretionary authority	39	102	102
4011 Outlays from discretionary balances	46		
4020 Outlays, gross (total)	85	102	102
Mandatory:			
4090 Budget authority, gross	69,596	71,803	74,364
Outlays, gross:			
4100 Outlays from new mandatory authority	63,437	65,343	67,797
4101 Outlays from mandatory balances	6,020	6,253	6,348
4110 Outlays, gross (total)	69,457	71,596	74,145
4180 Budget authority, net (total)	69,698	71,905	74,466
4190 Outlays, net (total)	69,542	71,698	74,247

Memorandum (non-add) entries:

5000 Total investments, SOY: Federal securities: Par value	754,244	780,365	803,913
5001 Total investments, EOY: Federal securities: Par value	780,365	803,913	824,786

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

	2010 actual	CR	2012 est.
Enacted/requested:			
Budget Authority	69,698	71,905	74,466
Outlays	69,542	71,698	74,247
Legislative proposal, subject to PAYGO:			
Budget Authority		550	550
Outlays		550	550
Total:			
Budget Authority	69,698	72,455	75,016
Outlays	69,542	72,248	74,797

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 be 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 employees 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 2011, the normal cost will be 12.5 percent (employees share, 0.8% and employers share, 11.5%), and for fiscal year 2012, the normal cost is projected to be 12.7 percent (employees share, 0.8% and employers share, 11.9%). An extra 0.5 percent of pay is contributed by Law Enforcement Officers, Firefighters, Air Traffic Controllers, Congressional employees, and Members of Congress. This normal cost is for the defined benefit plan only, and does not include the cost of Social Security or the Thrift 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 currently is 6.2 percent of pay. In December of 2010, President Obama signed The Middle Class Tax Relief Act of 2010 (Public Law 111-312), which reduced FERS employees' Social Security payroll tax rate from 6.2 to 4.2 percent for one year.

	2010 actual	2011 est.	2012 est.
Active employees	2,756,000	2,756,000	2,756,000
Annuitants:			
Employees	1,904,833	1,941,808	1,977,645
Survivors	617,233	607,679	597,282
Total, annuitants	2,522,720	2,549,487	2,574,927

Status of Funds (in millions of dollars)

Identification code 24-8135-0-7-602	2010 actual	CR	2012 est.
Unexpended balance, start of year:			
0100 Balance, start of year	754,263	780,384	803,410
0199 Total balance, start of year	754,263	780,384	803,410

Cash income during the year:

	2010 actual	CR	2012 est.
Current law:			
Receipts:			
1200 Employee Contributions, Civil Service Retirement and Disability	3,373	3,616	3,330
1201 District of Columbia Contributions, Civil Service Retirement and	35	26	23
1202 Employee Deposits, Redeposits and Other Contributions, Civil Ser	608	635	654
Offsetting receipts (intragovernmental):			
1240 Agency Contributions, Civil Service Retirement and Disability Fu	18,894	18,739	19,161
1241 Postal Service Agency Contributions, Civil Service Retirement an	2,899	3,707	3,800
1242 FFB, TVA, and USPS Interest, Civil Service Retirement and Disabi	552	474	391
1243 Treasury Interest, Civil Service Retirement and Disability Fund	36,076	34,243	34,255
1244 General Fund Payment to the Civil Service Retirement and Disabil	33,176	33,778	33,478
1245 Re-employed Annuitants Salary Offset, Civil Service Retirement a	50	56	57
1299 Income under present law	95,663	95,274	95,149
Proposed legislation:			
2299 Income under proposed legislation			
3299 Total cash income	95,663	95,274	95,149
Cash outgo during year:			
Current law:			
4500 Civil Service Retirement and Disability Fund	-69,542	-71,698	-74,247
4599 Outgo under current law (-)	-69,542	-71,698	-74,247
Proposed legislation:			
5500 Civil Service Retirement and Disability Fund		-550	-550
5599 Outgo under proposed legislation (-)		-550	-550
6599 Total cash outgo (-)	-69,542	-72,248	-74,797
7699 Total adjustments			
Unexpended balance, end of year:			
8700 Uninvested balance (net), end of year	19	47	76
8701 Civil Service Retirement and Disability Fund	780,365	803,913	824,786
8701 Civil Service Retirement and Disability Fund		-550	-1,100
8799 Total balance, end of year	780,384	803,410	823,762
Commitments against unexpended balance, end of year:			
9899 Total commitments (-)			

Object Classification (in millions of dollars)

Identification code 24-8135-0-7-602	2010 actual	CR	2012 est.
Direct obligations:			
25.2 Other services from non-federal sources	144	102	102
42.0 Insurance claims and indemnities	69,261	71,525	74,115
44.0 Refunds and death claims	293	278	249
99.9 Total new obligations	69,698	71,905	74,466

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	2010 actual	CR	2012 est.
Obligations by program activity:			
0006 Refund of Excess Contributions to USPS		550	550
0900 Total new obligations (object class 44.0)		550	550
Budgetary Resources:			
Budget authority:			
Appropriations, mandatory:			
1235 Portion precluded from balances		550	550
1900 Budget authority (total)		550	550
1930 Total budgetary resources available		550	550

Change in obligated balance:

Obligated balance, start of year (net):			
3000 Unpaid obligations, brought forward, Oct 1 (gross)			
3030 Obligations incurred, unexpired accounts		550	550
3040 Outlays (gross)		-550	-550
Obligated balance, end of year (net):			
3090 Unpaid obligations, end of year (gross)			

CIVIL SERVICE RETIREMENT AND DISABILITY FUND—Continued
Program and Financing—Continued

Identification code 24-8135-4-7-602	2010 actual	CR	2012 est.
Budget authority and outlays, net:			
Discretionary:			
4000 Budget authority, gross			
Mandatory:			
4090 Budget authority, gross		550	550
Outlays, gross:			
4100 Outlays from new mandatory authority		550	550
4180 Budget authority, net (total)		550	550
4190 Outlays, net (total)		550	550
Memorandum (non-add) entries:			
5000 Total investments, SOY: Federal securities: Par value			-550
5001 Total investments, EOY: Federal securities: Par value		-550	-1,100

The Budget proposes to return to the 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. OPM has determined this surplus is approximately \$6.9 billion, which would be paid back to USPS over 30 years, including an estimated \$550 million in 2011. The amount of the surplus will be recalculated on an annual basis and amounts returned to USPS will be adjusted each year based on that annual recalculation. See the Postal Service section of this Appendix for further information on this proposal.

EMPLOYEES LIFE INSURANCE FUND
Program and Financing (in millions of dollars)

Identification code 24-8424-0-8-602	2010 actual	CR	2012 est.
Obligations by program activity:			
0801 Basic life insurance payments	1,484	1,535	1,605
0802 Optional life insurance payments	1,134	1,140	1,177
0803 Shenandoah life insurance payments	5	6	6
0804 Administration—OPM & OIG	2	2	3
0805 Administration—long term care	2	2	2
0900 Total new obligations (object class 25.2)	2,627	2,685	2,793
Budgetary Resources:			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	35,294	36,748	38,327
Budget authority:			
Spending authority from offsetting collections, discretionary:			
1700 Collected	2	2	3
Spending authority from offsetting collections, mandatory:			
1800 Collected	4,096	4,318	4,523
1801 Change in uncollected payments, Federal sources	-17	-56	21
1850 Spending auth from offsetting collections, mand (total)	4,079	4,262	4,544
1900 Budget authority (total)	4,081	4,264	4,547
1930 Total budgetary resources available	39,375	41,012	42,874
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year	36,748	38,327	40,081
Change in obligated balance:			
Obligated balance, start of year (net):			
3000 Unpaid obligations, brought forward, Oct 1 (gross)	758	785	808
3010 Uncollected pymts, Fed sources, brought forward, Oct 1	-400	-383	-327
3020 Obligated balance, start of year (net)	358	402	481
3030 Obligations incurred, unexpired accounts	2,627	2,685	2,793
3040 Outlays (gross)	-2,600	-2,662	-2,759
3050 Change in uncollected pymts, Fed sources, unexpired	17	56	-21
Obligated balance, end of year (net):			
3090 Unpaid obligations, end of year (gross)	785	808	842
3091 Uncollected pymts, Fed sources, end of year	-383	-327	-348
3100 Obligated balance, end of year (net)	402	481	494
Budget authority and outlays, net:			
Discretionary:			
4000 Budget authority, gross	2	2	3

Outlays, gross:			
4010 Outlays from new discretionary authority	2	2	3
Mandatory:			
4090 Budget authority, gross	4,079	4,262	4,544
Outlays, gross:			
4100 Outlays from new mandatory authority	1,841	1,875	1,950
4101 Outlays from mandatory balances	757	785	806
4110 Outlays, gross (total)	2,598	2,660	2,756
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120 Federal sources	-543	-568	-574
4121 Interest on Federal securities	-926	-1,065	-1,270
4123 Non-Federal sources	-2,629	-2,687	-2,682
4130 Offsets against gross budget authority and outlays (total)	-4,098	-4,320	-4,526
Additional offsets against gross budget authority only:			
4140 Change in uncollected pymts, Fed sources, unexpired	17	56	-21
4160 Budget authority, net (mandatory)	-2	-2	-3
4170 Outlays, net (mandatory)	-1,500	-1,660	-1,770
4180 Budget authority, net (total)			
4190 Outlays, net (total)	-1,498	-1,658	-1,767
Memorandum (non-add) entries:			
5000 Total investments, SOY: Federal securities: Par value	36,146	37,605	38,343
5001 Total investments, EOY: Federal securities: Par value	37,605	38,343	40,092

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:

	2010 actual	2011 est.	2012 est.
Life insurance in force (in billions of dollars):			
On active employees	742.9	777.3	813.3
On retired employees	81.2	83.5	85.8
Total	824.1	860.8	899.1
Number of participants (in thousands):			
Active employees	2,554	2,680	2,812
Annuitants	1,625	1,623	1,621
Total	4,179	4,303	4,433

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:

	2010 actual	2011 est.	2012 est.
Status of Reserves			
Held in reserve (in millions of dollars):			
Contingency reserve	320	320	320
Beneficial association program reserve	0	0	0
U.S. Treasury reserve	37,605	38,343	40,092
Total reserves	37,925	38,663	40,412

Object Classification (in millions of dollars)

Identification code 24-8424-0-8-602	2010 actual	CR	2012 est.
Reimbursable obligations:			
25.2 Other services from non-federal sources	2,627	2,685	2,793
99.0 Reimbursable obligations	2,627	2,685	2,793

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

Identification code 24-9981-0-8-551	2010 actual	CR	2012 est.
Obligations by program activity:			
0801 Benefit payments	38,852	42,690	45,786
0802 Payments from OPM contingency reserve	201	350	350
0803 Government payment for annuitants (1960 Act)	1	1	1
0804 Administration - operations	14	14	39
0805 Administration - OIG	15	15	15
0806 Administration - dental and vision program	2	2	2
0900 Total new obligations (object class 25.6)	39,085	43,072	46,193
Budgetary Resources:			
Unobligated balance:			
1000 Unobligated balance brought forward, Oct 1	13,078	14,070	14,223
Budget authority:			
Spending authority from offsetting collections, discretionary:			
1700 Collected	33	33	54
Spending authority from offsetting collections, mandatory:			
1800 Collected	39,810	43,028	45,812
1801 Change in uncollected payments, Federal sources	234	164	143
1850 Spending auth from offsetting collections, mand (total)	40,044	43,192	45,955
1900 Budget authority (total)	40,077	43,225	46,009
1930 Total budgetary resources available	53,155	57,295	60,232
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year	14,070	14,223	14,039
Change in obligated balance:			
Obligated balance, start of year (net):			
3000 Unpaid obligations, brought forward, Oct 1 (gross)	4,014	4,131	4,286
3010 Uncollected pymts, Fed sources, brought forward, Oct 1	-1,797	-2,031	-2,195
3020 Obligated balance, start of year (net)	2,217	2,100	2,091
3030 Obligations incurred, unexpired accounts	39,085	43,072	46,193
3040 Outlays (gross)	-38,968	-42,917	-46,110
3050 Change in uncollected pymts, Fed sources, unexpired	-234	-164	-143
Obligated balance, end of year (net):			
3090 Unpaid obligations, end of year (gross)	4,131	4,286	4,369
3091 Uncollected pymts, Fed sources, end of year	-2,031	-2,195	-2,338
3100 Obligated balance, end of year (net)	2,100	2,091	2,031
Budget authority and outlays, net:			
Discretionary:			
4000 Budget authority, gross	33	33	54
Outlays, gross:			
4010 Outlays from new discretionary authority	22	33	54
4011 Outlays from discretionary balances	7		
4020 Outlays, gross (total)	29	33	54
Mandatory:			
4090 Budget authority, gross	40,044	43,192	45,955
Outlays, gross:			
4100 Outlays from new mandatory authority	34,932	38,756	41,771
4101 Outlays from mandatory balances	4,007	4,128	4,285
4110 Outlays, gross (total)	38,939	42,884	46,056
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120 Federal sources	-27,953	-30,143	-32,020
4121 Interest on Federal securities	-321	-411	-505
4123 Non-Federal sources	-11,569	-12,507	-13,341
4130 Offsets against gross budget authority and outlays (total)	-39,843	-43,061	-45,866
Additional offsets against gross budget authority only:			
4140 Change in uncollected pymts, Fed sources, unexpired	-234	-164	-143
4160 Budget authority, net (mandatory)	-33	-33	-54
4170 Outlays, net (mandatory)	-904	-177	190
4180 Budget authority, net (total)			
4190 Outlays, net (total)	-875	-144	244
Memorandum (non-add) entries:			
5000 Total investments, SOY: Federal securities: Par value	15,369	16,244	16,294
5001 Total investments, EOY: Federal securities: Par value	16,244	16,294	16,050

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

Enacted/requested:	2010 actual	CR	2012 est.
Budget Authority			
Outlays	-875	-144	244

Legislative proposal, subject to PAYGO:

Budget Authority			
Outlays			13
Total:			
Budget Authority			
Outlays	-875	-144	257

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; and 4) 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:

	2010 actual	2011 est.	2012 est.
Active employees	2,219,054	2,215,000	2,200,000
Annuitants	1,869,821	1,889,000	1,907,000
Total	4,088,875	4,104,000	4,107,000

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:

	2010 actual	2011 est.	2012 est.
Uniform plan	183	150	123
Private plans	441	362	297
Total	624	512	420

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.

EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS—Continued
Status of Funds (in millions of dollars)

Identification code 24-9981-0-8-551	2010 actual	CR	2012 est.
Unexpended balance, start of year:			
0100 Balance, start of year	15,296	16,171	16,315
0199 Total balance, start of year	15,296	16,171	16,315
Cash income during the year:			
Current law:			
Offsetting collections:			
1281 Employees and Retired Employees Health Benefits Funds	27,953	30,143	32,020
1283 Employees and Retired Employees Health Benefits Funds	321	411	505
1285 Employees and Retired Employees Health Benefits Funds	11,569	12,507	13,341
1299 Income under present law	39,843	43,061	45,866
Proposed legislation:			
Offsetting collections:			
2281 Employees and Retired Employees Health Benefits Funds			-264
2283 Employees and Retired Employees Health Benefits Funds			-108
2299 Income under proposed legislation			-372
3299 Total cash income	39,843	43,061	45,494
Cash outgo during year:			
Current law:			
4500 Employees and Retired Employees Health Benefits Funds	-38,968	-42,917	-46,110
4599 Outgo under current law (-)	-38,968	-42,917	-46,110
Proposed legislation:			
5500 Employees and Retired Employees Health Benefits Funds			359
5599 Outgo under proposed legislation (-)			359
6599 Total cash outgo (-)	-38,968	-42,917	-45,751
7699 Total adjustments			
Unexpended balance, end of year:			
8700 Uninvested balance (net), end of year	-73	21	22
8701 Employees and Retired Employees Health Benefits Funds			-14
8701 Employees and Retired Employees Health Benefits Funds	16,244	16,294	16,050
8799 Total balance, end of year	16,171	16,315	16,058
Commitments against unexpended balance, end of year:			
9899 Total commitments (-)			

Object Classification (in millions of dollars)

Identification code 24-9981-0-8-551	2010 actual	CR	2012 est.
Reimbursable obligations:			
25.6 Medical care	39,085	43,072	46,193
99.0 Reimbursable obligations	39,085	43,072	46,193

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

Program and Financing (in millions of dollars)

Identification code 24-9981-4-8-551	2010 actual	CR	2012 est.
Obligations by program activity:			
0801 Benefit payments			-385
0900 Total new obligations (object class 25.6)			-385
Budgetary Resources:			
Budget authority:			
1800 Spending authority from offsetting collections, mandatory: Collected			-372

1801 Change in uncollected payments, Federal sources			-19
1850 Spending auth from offsetting collections, mand (total)			-391
1900 Budget authority (total)			-391
1930 Total budgetary resources available			-391
Memorandum (non-add) entries:			
1941 Unexpired unobligated balance, end of year			-6
Change in obligated balance:			
Obligated balance, start of year (net):			
3000 Unpaid obligations, brought forward, Oct 1 (gross)			
3010 Uncollected pymts, Fed sources, brought forward, Oct 1			
3020 Obligated balance, start of year (net)			
3030 Obligations incurred, unexpired accounts			-385
3040 Outlays (gross)			359
3050 Change in uncollected pymts, Fed sources, unexpired			19
Obligated balance, end of year (net):			
3090 Unpaid obligations, end of year (gross)			-26
3091 Uncollected pymts, Fed sources, end of year			19
3100 Obligated balance, end of year (net)			-7
Budget authority and outlays, net:			
Mandatory:			
4090 Budget authority, gross			-391
Outlays, gross:			
4100 Outlays from new mandatory authority			-359
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
4120 Federal sources			264
4123 Non-Federal sources			108
4130 Offsets against gross budget authority and outlays (total)			372
Additional offsets against gross budget authority only:			
4140 Change in uncollected pymts, Fed sources, unexpired			19
4160 Budget authority, net (mandatory)			
4170 Outlays, net (mandatory)			13
4180 Budget authority, net (total)			
4190 Outlays, net (total)			13
Memorandum (non-add) entries:			
5000 Total investments, SOY: Federal securities: Par value			
5001 Total investments, EOY: Federal securities: Par value			-14

Object Classification (in millions of dollars)

Identification code 24-9981-4-8-551	2010 actual	CR	2012 est.
Reimbursable obligations:			
25.6 Medical care			-385
99.0 Reimbursable obligations			-385

GENERAL FUND RECEIPT ACCOUNT

(in millions of dollars)

	2010 actual	CR	2012 est.
Offsetting receipts from the public:			
24-32200 All Other General Fund Proprietary Receipts Including Budget Clearing Accounts: Enacted/requested	6	2	2
General Fund Offsetting receipts from the public	6	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.