

25 June 1986

MEMORANDUM FOR:

FROM:

SUBJECT:

Suggested Approaches for Implementation of the  
Federal Employee Retirement System Act of 1986

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1. Overview of Requirements

a. The scope and complexity of the Federal Employees Retirement System (FERS) coupled with the relatively short implementation dates for the several sub-programs that comprise the overall system, can present a threatening array of requirements when viewed from the perspective of the FERS totality. The institution of changes or new programs mandated by comprehensive legislation of this scope and complexity requires "breaking down" the primary programmatic features of the legislation in order to effectively develop and institute the required actions for change. In most complicated legislation of this type, the necessity to breakdown the primary elements for action can create additional problems in re-integrating the sub-elements into a cohesive and compatible system.

The FERS Act of 1986, while somewhat fragmented in its presentation of many facets of the programs and provisions which must be implemented, is in the main structured in the form of interlinking but distinctly separate sub-systems (e.g., a new Basic Defined Benefit Plan, a new Thrift Savings Plan, etc.).

This fact facilitates the implementation effort by providing an ability to focus on discrete sub-systems/elements and the identification of tasking requirements and development of the needed procedures and processes required to implement the FERS within the Agency.

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The sheer volume of requirements and primary and secondary tasking required to fully implement the Act of 1986 cannot be understated. Because of this it is essential that implementation actions be tightly structured in a detailed managerial/work force action plan to assure full coverage of all requirements, prioritization of actions, and maximum use of available personnel resources in order to meet the implementation dates established in the Act.

b. The FERS Act of 1986 could be "broken down" for work group team taskings in various ways but a suggested approach would be to identify basic categories of tasking into the following primary sub-systems:

(1) Statutory authorities and administrative provisions applicable to the DCI, the Director, Office of Personnel Management and other U.S. Government officials designated within the Act.

(2) Basic Defined Benefit Plan (the FERS).

(3) Special Program for CIA personnel meeting special criteria (FERS-CIA).

(4) Provisions applicable to the Civil Service Retirement and CIA Retirement and Disability Systems (CSRS/CIARDS).

(5) Capital Accommodation Plan (Thrift Savings Plan).

These primary tasking elements would then be broken down into prioritized sequences of programmatic, processing or procedural action requirements applicable to the specific area of effort. Working Groups "team" personnel should be the focal point for initial identification of requirements as cited in the legislation. The results of these efforts should be expanded through input by appropriate operating component personnel who are or will be responsible for servicing the new program or provisions when operative.

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It is quite evident that many of the primary tasking elements such as the Basic Defined Benefit Plan and the Thrift Savings Plan will require concurrent and joint input from the Offices of Personnel, Finance and Information Technology. Some tasking many involve only one component.

2. Specific Considerations

a. It must be recognized that varying action on all implementation tasks must be initiated in the same general time frames. However, a sequence of priorities for action must be established not only between the identified primary elements, but also among the several sub-tasking within each primary area of action. These priorities are dictated by the following:

(1) The statutory final implementation dates for specific actions as defined within the FERS Act of 1986

(2) The functional need to complete certain basic tasking requirements before work can begin or development of the next sequence of actions.

(3) The requirement that all internal and external processes and procedures must be in place, tested, and ready to function before the implementation dates prescribed by the Act.

b. A managerial oversight and monitoring mechanism must be installed that permits the Policy Group and Working Group leadership to evaluate progress against time-frame schedules and milestones, provide guidance and assistance to the Working Group "teams" and permit "status of action" reporting to senior Agency managers.

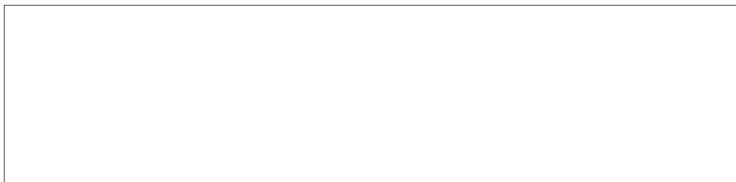
c. It is important that formalized "Action Plans" for each primary tasking element be designed which identifies each sub-tasking requirement together with it's priority status and a date schedule for phased and final completion. A sample or model of such an action plan can be drafted and may be useful for your consideration.

d. Prior to launching the main implementation effort a critical requirement of first priority is the need to provide an "expert" "in-house" source of knowledge and interpretation of the FERS Act of 1986 available to the Policy Group and the Working Group.

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At least one primary and one back-up OP Officer working with the Working Group should be identified as staff experts on the Act. The availability of analytical interpretation materials that may be obtainable through outside sources should be checked. Discussions with legislation staff personnel from the Congressional Retirement Oversight Committees may provide useful insights on specific issues within the Act. In past years, OPM routinely provided hand-outs, seminars, and training sessions on new statutory programs of this dimension. It's worth contacting OPM although the informal word is that OPM is not preparing to provide these services.

Since the FERS Act of 1986 is complicated legislation and open to misinterpretation, early clarification of all questionable provisions is essential in order to provide a common base of understanding for the Policy and Working Groups.



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