

OFFICE OF PERSONNEL MANAGEMENT

Federal Funds

General and special funds:

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed \$2,500 for official reception and representation expenses; advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty; **[\$85,350,000] \$91,584,000**, and in addition **[\$91,236,000] \$95,486,000** for administrative expenses, to be transferred from the appropriate trust funds of the Office of Personnel Management without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs, of which \$4,000,000 shall remain available until expended for the cost of automating the retirement recordkeeping systems. *Provided*, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by [section] sections 8348(a)(1)(B) and 8909(g) of title 5, United States Code: *Provided further*, That, except as may be consistent with 5 U.S.C. 8902a(f)(1) and (i), no payment may be made from the Employees Health Benefits Fund to any physician, hospital, or other provider of health care services or supplies who is, at the time such services or supplies are provided to an individual covered under chapter 89 of title 5, United States Code, excluded, pursuant to section 1128 or 1128A of the Social Security Act (42 U.S.C. 1320a-7 through 1320a-7a), from participation in any program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.): *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 the fiscal year ending September 30, [1999] 2000, accept donations of money, property, and personal services in connection with the development of a publicity brochure to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission. (*Independent Agencies Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).*)

Program and Financing (in millions of dollars)

Identification code 24-0100-0-1-805	1998 actual	1999 est.	2000 est.
Obligations by program activity:			
Direct program:			
00.01 Merit systems oversight and effectiveness	18	19	24
00.02 Employment service	26	29	31
00.03 Retirement and insurance service	105	113	108
00.04 Workforce compensation and performance service	6	8	8
00.05 Investigations service	3	3	3
00.06 Workforce relations	4	4	4
00.07 Executive resources	3	3	3
00.08 Administrative services	18	15	14
00.09 Executive and other services	12	12	12
09.01 Reimbursable program	8	8	8
10.00 Total new obligations	203	214	215

Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	6	-3
22.00 New budget authority (gross)	207	214	215
23.90 Total budgetary resources available for obligation	213	211	215
23.95 Total new obligations	-203	-214	-215
23.98 Unobligated balance expiring	-13	3
24.40 Unobligated balance available, end of year	-3
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	85	85	92
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	122	129	123
70.00 Total new budget authority (gross)	207	214	215
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	37	37	37
73.10 Total new obligations	203	214	215
73.20 Total outlays (gross)	-203	-214	-215
74.40 Unpaid obligations, end of year: Obligated balance, end of year	37	37	37
Outlays (gross), detail:			
86.90 Outlays from new current authority	75	74	80
86.93 Outlays from current balances	6	11	12
86.97 Outlays from new permanent authority	122	129	123
87.00 Total outlays (gross)	203	214	215
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-122	-129	-123
Net budget authority and outlays:			
89.00 Budget authority	85	85	92
90.00 Outlays	81	85	92

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

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

Program performance.—The activity's performance measures are designed to assess the value-added outcomes which oversight reviews, accountability and demonstration projects, and workforce information have on the Federal HRM community and employees. Client feedback is solicited on each review, product, and service. For example, clients rate the overall value of the oversight work as 4 on a 5-point scale and give the reports a score of 4.5. The quality of data that is provided to clients is regularly assessed, and is used in reviews, studies, and projects. Of each agency's records entered into the Central Personnel Data File, at least 97 percent are correct on all core elements. The *Merit System Principles*

General and special funds—ContinuedSALARIES AND EXPENSES—Continued
(INCLUDING TRANSFER OF TRUST FUNDS)—Continued

Questionnaire, used to collect employee perceptions of the merit system principles, is content valid and reliable.

Employment service.—The Employment Service provides leadership and manages the merit-based employment system for the Federal government. In partnership with agencies, the Service provides a high-quality, diverse workforce through a mix of policy direction, technical assistance, and reimbursable services in the following areas: employment information; assessment; merit-based staffing services; veterans' preference; workforce diversity; automated human resources management systems; workforce restructuring and placement, and organizational analysis and improvement. These operations are carried out through a network of Service Centers throughout the country. Special emphasis in 1999 and 2000 will be given to improving Federal employment opportunities for adults with disabilities and Hispanic Americans, and to enhancing the Government's ability to recruit, develop, and retain computer security professionals.

Program performance.—The Employment Service establishes annual performance goals and objectives designed to accomplish long-term goals identified in OPM's Strategic Plan. Progress is monitored through a mix of outcome and output measures, including results of oversight reviews, qualitative feedback on the usefulness of policies and information processes, customer satisfaction with services, cost-comparison analyses, workload accomplishment data, and quality and timeliness of information. (Some of these measures were introduced in 1998.)

The Employment Service provided information to over thirteen million people in 1998 through a nationwide system available 24 hours a day, 7 days a week, by telephone, fax, personal computer, and touch screen kiosks. USAJOBS, the employment information website, averages more than 28,000 visits daily. This is a twelve percent increase from the previous year and is expected to continue to grow. Customer satisfaction with all systems increased from 87.7 percent in 1997 to 90.6 percent in 1998.

The Employment Service conducts a recertification and training program for all agency Delegated Examining Units to ensure that agencies are carrying out their delegated responsibilities in accordance with law and regulation, and accomplished all scheduled recertifications. In 1998, they also continued to make quality and timeliness improvements in two important specialized Federal employment programs, the Presidential Management Intern (PMI) Program and the Administrative Law Judges (ALJ), through increased automation and process reengineering.

In 1998, the Employment Service completed a review of all policies and programs. In the area of policy leadership, the Employment Service eliminated approximately 125 redundant excepted appointment authorities; published the *VetGuide* and *VetInfo Guide* to help agencies better understand and comply with veterans' preference requirements and to provide better information to the general public; streamlined provisions covering time-limited appointments and student employment; developed short informational materials on the legislative changes to veteran entitlements; developed a student employment brochure for dissemination on college campuses; is in the process of developing more flexible provisions for promotion and internal placement programs; and granted waivers and other flexibilities to deal with staffing for agency Y2K computer positions. All completed materials are available on the OPM website.

In 1998, the Employment Service assisted over 43,000 employees with outplacement assistance and selection priority for other Federal jobs. Nearly 18,000 of these individuals

were placed in other positions within the same agency. Another 2,000 were rehired through the Reemployment Priority List.

Retirement and insurance.—This activity administers retirement and insurance programs for Federal employees and retired Federal employees. These programs include the Civil Service Retirement and Disability Fund, the Employees Life Insurance Fund, and the Employees and Retired Employees Health Benefits Funds. In 2000, the Administration also is proposing a new program for long term care insurance for Federal employees and retirees, their spouses, parents, and parents-in-law. The full cost of premiums for this program would be paid for by participants.

Program performance.—Overall customer satisfaction with the delivery of Retirement Program services remained high during 1998 as 90 percent reported that they are generally or very satisfied with OPM's overall service.

OPM significantly expanded its telephone services to retired employees and survivor annuitants by opening a call center in Pittsburgh, Pennsylvania in December 1997, providing toll-free access to all call centers, and adding more customer service representatives. Toll-free access resulted in a 25 percent increase in the volume of calls (1,190,359 total calls) received during 1998 compared to 1997. Responding to this increased demand, OPM handled 24 percent more calls (974,380 total handled) than in 1997 and processed 40 percent more payment account adjustments and other customer service requests by telephone. Customer satisfaction with the courtesy, clarity and timeliness of telephone services remained comparable to the 80 to 90 percent levels first achieved in 1997.

In addition, OPM reduced processing times for interim annuity payments from 4.6 days in 1997 to 3.1 days in 1998, authorizing 44 percent within one day of receiving the retirement applications at OPM. The time to take final action on an annuity account dropped from 39 days in 1997 to 23 days in 1998 for fully documented claims. This improvement was accompanied by a marginal decline in payment accuracy, from 94 percent during 1997 to 93 percent in 1998. The volume of new annuity claims was comparable to 1997 as 83,302 CSRS and FERS annuity claims were received. A total of 89,490 claims were processed, up 2 percent from last year, resulting in a reduction in the year-end balance of unprocessed claims of 23 percent.

A mass mailing campaign to annuitants and survivors during 1998 advising them of the convenience and desirability of direct deposit was very effective. At the start of 1998 the electronic funds transfer participation rate among recipients of these benefits was 75 percent. At the end of 1998 the rate had risen to 90 percent.

In the health insurance program, OPM addressed growing concerns about the quality of managed health care by implementing the Patients' Bill of Rights across the entire Federal Employees Health Benefits (FEHB) Program. This included publishing final regulations that prohibit health plans from imposing a "gag rule" limiting the disclosures physicians may make to patients regarding treatment options. The Agency will continue to move forward in this important area in 1999.

To strengthen its leadership role in the health insurance industry, OPM continued to build and maintain strong relationships with the National Commission for Quality Assurance (NCQA), the Health Care Financing Administration, the Department of Health and Human Services, and the Foundation for Accountability (FAACT). These partnerships have been instrumental in promoting the use of health care quality outcome measures by the Federal government and health care purchasers and providers throughout the Nation.

Customer satisfaction remained high in the health benefits program, as the most recent customer surveys indicated that 87 percent of responding enrollees in fee-for-service plans ex-

pressed satisfaction with their health plan, as did 84 percent of those in health maintenance organization plans, and 85 percent in preferred provider organizations.

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

Program performance.—The workforce compensation and performance program area uses a variety of measures to identify its level of success. Overall customer service is measured through OPM's Customer Satisfaction Survey. The 1998 survey showed that more than 75 percent of human resources directors were satisfied with policy-setting leadership on pay and leave administration, and performance management issues, and at least 70 percent of human resources specialists were satisfied with the level of information sharing and technical assistance provided in each program area. The success of workshops and conferences is determined through end-of-conference structured questionnaires and follow-up surveys. The organization has a major initiative to reduce the number of single series classification standards. The goal is to reduce the number of standards from more than 400 to 250 by 2000. By March 1, 2000, OPM will submit a comprehensive report to Congress on the non-foreign area Cost-of-Living Allowance program.

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

Workforce relations.—This activity includes: (a) developing and administering policies, regulations and guidelines on employee relations, including adverse and performance-based actions and violence in the workplace; (b) facilitating and supporting Federal work and family programs; (c) providing leadership and policy guidance in support of agency human resource development programs and lifelong learning; and (d) providing guidance and assistance to Federal agencies on labor-management relations and partnership, including managing the activities of the National Partnership Council on behalf of the Council Chair.

Program performance.—OPM's workforce relations performance measures are designed to determine the value added by OPM's policy leadership and guidance on employee and labor-management relations issues, work and family programs, and human resources development and lifelong learning. In 1998, several key measures were developed to evaluate the impact of OPM's policy leadership and technical assistance on the human resources management community. It has become an Office of Workforce Relations (OWR) practice to survey stakeholders to identify principal areas of interest to facilitate program content for conferences, seminars and workshops. During 1998, this customer feedback was used to establish the agenda and structure of OWR presentations. As an integral part of the presentation process, participant evaluations were obtained through structured questionnaires to determine strengths and weaknesses of each presentation. Programs were revised accordingly. At regular intervals, surveys were conducted of readers of published materials, both hardcopy and electronic, to ensure excellent customer service and timely policy guidance, and to measure the relative effect of OPM's guidance and assistance.

OPM administered a customer survey that provided useful information regarding customer satisfaction with workforce relations policy initiatives and services. Human resources directors evaluated OWR program offices on the quality of OPM's policy leadership and the level of involvement they felt in the development of those policies. In the areas of labor-management relations and partnership, employee relations,

employee assistance, workforce violence, and work and family programs, the directors reported on over 80 percent satisfaction rate with OPM leadership and an over 74 percent satisfaction rate with OPM efforts to involve them in policy development. Responses also indicated that OPM needs to improve its efforts in the areas of physical fitness and human resource development policy. During 1999, OPM will be focusing resources and extending outreach efforts to improve in these areas. Human resource specialists evaluated OWR program offices on the quality of technical assistance and information sharing. Specialists reported a similar level of satisfaction with OWR programs.

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

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

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

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

Object Classification (in millions of dollars)

Identification code 24-0100-0-1-805	1998 actual	1999 est.	2000 est.
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	94	98	98
11.3 Other than full-time permanent	5	5	5
11.5 Other personnel compensation	3	3	3
11.9 Total personnel compensation	102	106	106
12.1 Civilian personnel benefits	22	24	24
21.0 Travel and transportation of persons	2	2	2
23.1 Rental payments to GSA	17	18	18
23.3 Communications, utilities, and miscellaneous charges	13	15	15
24.0 Printing and reproduction	3	3	3
25.1 Advisory and assistance services	1	1	1
25.2 Other services	14	15	17
26.0 Supplies and materials	2	2	2
31.0 Equipment	18	19	18
32.0 Land and structures	1	1	1
99.0 Subtotal, direct obligations	195	206	207
99.0 Reimbursable obligations	8	8	8
99.9 Total new obligations	203	214	215

Personnel Summary

Identification code 24-0100-0-1-805	1998 actual	1999 est.	2000 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	2,069	2,073	2,090
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	78	111	111

OFFICE OF INSPECTOR GENERAL
SALARIES AND EXPENSES
(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act, as amended, including services as authorized by 5 U.S.C. 3109, hire of passenger

General and special funds—Continued

OFFICE OF INSPECTOR GENERAL—Continued

SALARIES AND EXPENSES—Continued

motor vehicles, \$960,000; and in addition, not to exceed **[\$9,145,000]** \$9,645,000 for administrative expenses to audit, *investigate, and provide other oversight* of the Office of Personnel Management's retirement and insurance programs, to be transferred from the appropriate trust funds of the Office of Personnel Management, as determined by the Inspector General: *Provided*, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere. (*Independent Agencies Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).*)

Program and Financing (in millions of dollars)

Identification code 24-0400-0-1-805	1998 actual	1999 est.	2000 est.
Obligations by program activity:			
10.00 Total new obligations	10	10	11
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	10	10	11
23.95 Total new obligations	-10	-10	-11
New budget authority (gross), detail:			
Current:			
40.00 Appropriation	1	1	1
Permanent:			
68.00 Spending authority from offsetting collections: Offsetting collections (cash)	9	9	10
70.00 Total new budget authority (gross)	10	10	11
Change in unpaid obligations:			
73.10 Total new obligations	10	10	11
73.20 Total outlays (gross)	-10	-10	-11
Outlays (gross), detail:			
86.90 Outlays from new current authority	1	1	1
86.97 Outlays from new permanent authority	9	9	10
87.00 Total outlays (gross)	10	10	11
Offsets:			
Against gross budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	-9	-9	-10
Net budget authority and outlays:			
89.00 Budget authority	1	1	1
90.00 Outlays	1	1	1

This appropriation provides agency-wide audit, investigative, evaluation, inspection, and administrative sanction functions to identify management and administrative deficiencies that may create conditions for fraud, waste, and mismanagement. The audits function provides internal agency audit, insurance audit, and contract audit services. Contract audits provide professional advice to agency contracting officials on accounting and financial matters regarding the negotiation, award, administration, repricing, and settlement of contracts. Internal agency audits review and evaluate all facets of agency operations, including financial statements. Evaluation and inspection services provide detailed technical evaluations of agency operations. Insurance audits review the operations of health and life insurance carriers, health care providers, and insurance subscribers. The investigative function provides for the detection and investigation of improper and illegal activities involving programs, personnel, and operations. Administrative sanctions debar from participation in the health insurance program those health care providers whose conduct may pose a threat to the financial integrity of the program itself or to the well-being of insurance program enrollees. These Inspector General activities resulted in positive financial impact in excess of \$76 million in 1998. This request includes an additional \$0.5 million above the approved 1999 resource level to reduce the insurance audits cycles. The impact of

the additional funds will be an increased positive financial impact for the OPM-administered trust funds.

Object Classification (in millions of dollars)

Identification code 24-0400-0-1-805	1998 actual	1999 est.	2000 est.
11.1 Personnel compensation: Full-time permanent	6	6	6
12.1 Civilian personnel benefits	1	1	2
23.1 Rental payments to GSA	1	1	1
25.2 Other services	1	1	1
99.0 Subtotal, direct obligations	9	9	10
99.5 Below reporting threshold	1	1	1
99.9 Total new obligations	10	10	11

Personnel Summary

Identification code 24-0400-0-1-805	1998 actual	1999 est.	2000 est.
Direct:			
1001 Total compensable workyears: Full-time equivalent employment	88	105	110
Reimbursable:			
2001 Total compensable workyears: Full-time equivalent employment	1	1	1

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

For payment of Government contributions with respect to retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849), as amended, such sums as may be necessary. (*Independent Agencies Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).*)

Program and Financing (in millions of dollars)

Identification code 24-0206-0-1-551	1998 actual	1999 est.	2000 est.
Obligations by program activity:			
00.01 Government contribution for annuitants benefits (1959 Act)	4,111	4,651	5,102
00.02 Government contribution for annuitants benefits (1960 Act)	4	3	3
10.00 Total obligations (object class 13.0)	4,115	4,654	5,105
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	4,115	4,654	5,105
23.95 Total new obligations	-4,115	-4,654	-5,105
New budget authority (gross), detail:			
40.05 Appropriation (indefinite)	4,115	4,654	5,105
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	182	228	388
73.10 Total new obligations	4,115	4,654	5,105
73.20 Total outlays (gross)	-4,069	-4,495	-5,070
74.40 Unpaid obligations, end of year: Obligated balance, end of year	228	388	424
Outlays (gross), detail:			
86.90 Outlays from new current authority	3,887	4,266	4,682
86.93 Outlays from current balances	182	228	388
87.00 Total outlays (gross)	4,069	4,495	5,070
Net budget authority and outlays:			
89.00 Budget authority	4,115	4,654	5,105
90.00 Outlays	4,069	4,495	5,070

This appropriation covers: (1) the Government's share of the cost of health insurance for 1,855,000 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 about 6,600 annuitants (who were retired when the Federal employees health benefits law became effective), as

defined in the Retired Federal Employees Health Benefits Act of 1960; and (3) the Government's contribution for payment of administrative expenses incurred by the Office of Personnel Management in administration of the Act.

The budget authority for this account recognizes the amounts being remitted by the U.S. Postal Service (USPS) to finance a portion of its post-1971 annuitants' health benefit costs. As of the end of 1998, this group of USPS annuitants totalled 416,000 persons.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

For payment of Government contributions with respect to employees retiring after December 31, 1989, as required by chapter 87 of title 5, United States Code, such sums as may be necessary. (*Independent Agencies Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).*)

Program and Financing (in millions of dollars)

Identification code 24-0500-0-1-602	1998 actual	1999 est.	2000 est.
Obligations by program activity:			
10.00 Total obligations (object class 25.2)	30	35	36
Budgetary resources available for obligation:			
22.00 New budget authority (gross)	30	35	36
23.95 Total new obligations	-30	-35	-36
New budget authority (gross), detail:			
40.00 Appropriation	30	35	36
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	3	3	3
73.10 Total new obligations	30	35	36
73.20 Total outlays (gross)	-30	-35	-36
74.40 Unpaid obligations, end of year: Obligated balance, end of year	3	3	3
Outlays (gross), detail:			
86.90 Outlays from new current authority	27	32	33
86.93 Outlays from current balances	3	3	3
87.00 Total outlays (gross)	30	35	36
Net budget authority and outlays:			
89.00 Budget authority	30	35	36
90.00 Outlays	30	35	36

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

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authorized by 5 U.S.C. 8348, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, such sums as may be necessary: *Provided*, That annuities authorized by the Act of May 29, 1944, as amended, and the Act of August 19, 1950, as amended (33 U.S.C. 771-775), may hereafter be paid out of the Civil Service Retirement and Disability Fund. (*Independent Agencies Appropriations Act, 1999, as included in Public Law 105-277, section 101(h).*)

Program and Financing (in millions of dollars)

Identification code 24-0200-0-1-805	1998 actual	1999 est.	2000 est.
Obligations by program activity:			
00.02 Payment of Government share of retirement costs	8,381	8,703	9,121
00.03 Transfers for interest on unfunded liability and payment of military service annuities	12,917	12,886	12,635
00.05 Spouse equity payment	59	56	56

10.00	Total new obligations	21,357	21,645	21,812
Budgetary resources available for obligation:				
22.00	New budget authority (gross)	21,357	21,645	21,812
23.95	Total new obligations	-21,357	-21,645	-21,812
New budget authority (gross), detail:				
Current:				
40.05	Appropriation (indefinite)	8,381	8,703	9,121
Permanent:				
60.05	Appropriation (indefinite)	12,976	12,942	12,691
70.00	Total new budget authority (gross)	21,357	21,645	21,812
Change in unpaid obligations:				
73.10	Total new obligations	21,357	21,645	21,812
73.20	Total outlays (gross)	-21,357	-21,645	-21,812
Outlays (gross), detail:				
86.90	Outlays from new current authority	8,381	8,703	9,121
86.97	Outlays from new permanent authority	12,976	12,942	12,691
87.00	Total outlays (gross)	21,357	21,645	21,812
Net budget authority and outlays:				
89.00	Budget authority	21,357	21,645	21,812
90.00	Outlays	21,357	21,645	21,812

Payment of Government share of retirement costs.—This payment amortizes increases in the static unfunded liability created since October 20, 1969 by any statute which authorizes new or liberalized benefits, an extension of retirement coverage, or pay increases.

Transfers for interest on static unfunded liability and payment of military service annuities.—This transfer covers interest on the static unfunded liability and annuity disbursements attributable to military service.

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

Object Classification (in millions of dollars)

Identification code 24-0200-0-1-805	1998 actual	1999 est.	2000 est.	
12.1	Civilian personnel benefits	8,381	8,703	9,121
13.0	Benefits for former personnel	12,976	12,942	12,691
99.9	Total new obligations	21,357	21,645	21,812

Intragovernmental funds:

REVOLVING FUND

Program and Financing (in millions of dollars)

Identification code 24-4571-0-4-805	1998 actual	1999 est.	2000 est.	
Obligations by program activity:				
09.01	DOD testing	7	8	8
09.02	Employment service	27	34	36
09.03	Investigations	102	88	90
09.04	Workforce relations	35	36	37
09.05	Executive resources	19	22	23
10.00	Total new obligations	190	188	194
Budgetary resources available for obligation:				
21.40	Unobligated balance available, start of year	52	31	31
22.00	New budget authority (gross)	170	188	194
23.90	Total budgetary resources available for obligation	222	219	225
23.95	Total new obligations	-190	-188	-194
24.40	Unobligated balance available, end of year	31	31	31
New budget authority (gross), detail:				
Spending authority from offsetting collections:				
68.00	Offsetting collections (cash)	253	188	194
68.10	From Federal sources: Change in receivables and unpaid, unfilled orders	-83		

Intragovernmental funds—Continued

REVOLVING FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 24-4571-0-4-805	1998 actual	1999 est.	2000 est.
68.90 Spending authority from offsetting collections (total)	170	188	194
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	-18	29	29
72.95 From Federal sources: Receivables and unpaid, unfilled orders	243	160	160
72.99 Total unpaid obligations, start of year	225	189	189
73.10 Total new obligations	190	188	194
73.20 Total outlays (gross)	-226	-188	-194
Unpaid obligations, end of year:			
74.40 Obligated balance, end of year	29	29	29
74.95 From Federal sources: Receivables and unpaid, unfilled orders	160	160	160
74.99 Total unpaid obligations, end of year	189	189	189
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	170	188	194
86.98 Outlays from permanent balances	56		
87.00 Total outlays (gross)	226	188	194
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Federal sources	-252	-187	-193
88.40 Non-Federal sources	-1	-1	-1
88.90 Total, offsetting collections (cash)	-253	-188	-194
88.95 From Federal sources: Change in receivables and unpaid, unfilled orders	83		
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-27		

Workforce training.—In July 1995, the Office of Personnel Management (OPM) privatized its workforce training program.

DOD testing.—OPM conducts military entrance exams for the Department of Defense (DOD). The Employment Service continued to provide testing for the Department of Defense, conducting approximately 14,787 student test sessions and 28,164 enlistment sessions.

Employment service.—OPM delivers employment information, examining services, automated staffing, and related human resource management services to Federal agencies nationwide. In 1998, 52 Executive Branch, four Legislative Branch, two non-appropriated fund, and 14 State and municipal agencies contracted with the Employment Service for a wide array of products and services.

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

Workforce relations.—OPM provides training management assistance (TMA) to Federal agencies in support of their human resource management programs by developing and producing training products, services, human resource management systems and other human resource development interventions through partnership with Federal agencies and private sector firms specializing in instructional systems.

Program performance.—The TMA program performance measures are designed to determine the value added to Fed-

eral agencies through human resources management assistance utilizing an instructional systems design approach. They include workload measures such as the dollar amount of new and added funding for TMA projects; business well-being indicators such as the percent of income above contractor invoices; and customer satisfaction measures to better define the benefits of TMA services.

Executive resources.—OPM conducts residential and non-residential programs for Federal executives and managers to improve the effectiveness and efficiency of Federal programs, and manages the President's quality awards program.

WORKLOAD COUNT

	1998 actual	1999 est.	2000 est.
Participant training days	65,693	69,746	73,413
Background security investigations processed	46,026	42,500	42,500
National and special agency check and inquiry cases	296,925	302,000	302,000

Object Classification (in millions of dollars)

Identification code 24-4571-0-4-805	1998 actual	1999 est.	2000 est.
Personnel compensation:			
11.1 Full-time permanent	19	23	25
11.3 Other than full-time permanent	6	7	7
11.5 Other personnel compensation	1	1	1
11.9 Total personnel compensation	26	31	33
12.1 Civilian personnel benefits	5	6	6
21.0 Travel and transportation of persons	1	2	2
23.1 Rental payments to GSA	7	7	7
23.3 Communications, utilities, and miscellaneous charges	4	5	5
24.0 Printing and reproduction		1	1
25.2 Other services	142	130	135
26.0 Supplies and materials	1	2	2
31.0 Equipment	3	4	3
32.0 Land and structures	1		
99.9 Total new obligations	190	188	194

Personnel Summary

Identification code 24-4571-0-4-805	1998 actual	1999 est.	2000 est.
2001 Total compensable workyears: Full-time equivalent employment	536	694	672

Trust Funds

CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Unavailable Collections (in millions of dollars)

Identification code 24-8135-0-7-602	1998 actual	1999 est.	2000 est.
Balance, start of year:			
01.99 Balance, start of year	417,890	446,962	477,085
Receipts:			
02.01 Employee contributions	4,087	4,076	4,224
02.02 Agency contributions	8,682	8,817	9,163
02.03 District of Columbia contributions	74	71	65
02.04 Postal Service agency contributions	2,584	2,694	2,786
02.05 Postal Service supplemental contributions	3,525	3,377	3,488
02.06 Federal Financing Bank interest	1,841	2,539	1,379
02.07 Employee deposits, redeposits and other contributions	126	124	122
02.08 Treasury interest	29,925	31,649	33,262
02.09 General fund payment to the Civil Service Retirement and Disability fund	21,357	21,645	21,812
02.10 Re-employed annuitants salary offset	28	27	28
02.99 Total receipts	72,229	75,019	76,329
04.00 Total: Balances and collections	490,119	521,981	553,414
Appropriation:			
05.01 Civil service retirement and disability fund	-43,157	-44,896	-46,874
05.99 Subtotal appropriation	-43,157	-44,896	-46,874
07.99 Total balance, end of year	446,962	477,085	506,540

Program and Financing (in millions of dollars)

Identification code 24-8135-0-7-602	1998 actual	1999 est.	2000 est.
Obligations by program activity:			
00.01 Annuities	42,668	44,433	46,409
00.02 Refunds and death claims	389	365	361
00.04 Administration	100	107	102
10.00 Total new obligations	43,157	44,905	46,872
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	10	9	
22.00 New budget authority (gross)	43,157	44,896	46,874
23.90 Total budgetary resources available for obligation	43,167	44,905	46,874
23.95 Total new obligations	-43,157	-44,905	-46,872
24.40 Unobligated balance available, end of year	9		
New budget authority (gross), detail:			
Current:			
40.26 Appropriation (trust fund, definite)	83	78	82
Permanent:			
60.27 Appropriation (trust fund, indefinite)	72,229	74,942	75,588
60.45 Portion precluded from obligation	-29,155	-30,124	-28,796
63.00 Appropriation (total)	43,074	44,818	46,792
70.00 Total new budget authority (gross)	43,157	44,896	46,874
Change in unpaid obligations:			
72.40 Unpaid obligations, start of year: Obligated balance, start of year	3,612	3,712	3,837
73.10 Total new obligations	43,157	44,905	46,872
73.20 Total outlays (gross)	-43,058	-44,780	-46,701
74.40 Unpaid obligations, end of year: Obligated balance, end of year	3,712	3,837	4,008
Outlays (gross), detail:			
86.90 Outlays from new current authority	83	78	82
86.93 Outlays from current balances	4	9	
86.97 Outlays from new permanent authority	39,359	40,981	42,782
86.98 Outlays from permanent balances	3,612	3,712	3,837
87.00 Total outlays (gross)	43,058	44,780	46,701
Net budget authority and outlays:			
89.00 Budget authority	43,157	44,896	46,874
90.00 Outlays	43,058	44,780	46,701
Memorandum (non-add) entries:			
92.01 Total investments, start of year: U.S. securities: Par value	421,502	450,674	480,919
92.02 Total investments, end of year: U.S. securities: Par value	450,674	480,919	510,547

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

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

	1998 actual	1999 est.	2000 est.
Active employees	2,700,000	2,640,000	2,639,000
Annuitants:			
Employees	1,741,000	1,756,000	1,771,000
Survivors	628,000	636,000	644,000
Total, annuitants	2,369,000	2,392,000	2,415,000

Status of Funds (in millions of dollars)

Identification code 24-8135-0-7-602	1998 actual	1999 est.	2000 est.
Unexpended balance, start of year:			
0100 Treasury balance	16	15	8
U.S. Securities:			
0101 Par value	421,502	450,674	480,919
0102 Unrealized discounts	-6	-6	-4
0199 Total balance, start of year	421,512	450,683	480,923
Cash income during the year:			
Governmental receipts:			
0200 Employee contributions, Civil Service Retirement and Disability Fund	4,087	4,076	4,224
0202 District of Columbia contributions	74	71	65
0203 Employee deposits, redeposits, and voluntary contributions	127	124	122
Intragovernmental transactions:			
0240 Agency contributions, Civil Service Retirement and Disability Fund	8,682	8,817	9,163
0242 Postal Service agency contributions, Civil Service Retirement and Disability Fund	2,584	2,694	2,786
0243 Postal Service supplemental contributions, Civil Service Retirement and Disability Fund	3,525	3,377	3,488
0244 Federal Financing Bank interest, Civil Service Retirement and Disability Fund	1,841	2,539	1,379
0245 Treasury interest, Civil Service Retirement and Disability Fund	29,925	31,649	33,262
0247 General fund payment to the Civil Service Retirement and Disability Fund	21,357	21,645	21,812
0250 Re-employed annuitant salary offset, Civil Service Retirement and Disability Fund	27	27	28
0299 Total cash income	72,229	75,019	76,329
Cash outgo during year:			
0501 Payment of claims to retired employees	-35,816	-37,169	-38,707
0502 Payment of alternative annuity refunds	-9	-5	-5
0505 Payment of claims to survivor annuitants	-6,763	-7,132	-7,526
0506 Lump sum payments to estates or beneficiaries of deceased annuitants and employees	-120	-124	-128
0507 Refunds to living separated employees	-250	-241	-233
0508 Administration	-100	-109	-102
0599 Total cash outgo (-)	-43,058	-44,780	-46,701
Unexpended balance, end of year:			
0700 Uninvested balance	15	8	8
U.S. Securities:			
0701 Par value	450,674	480,919	510,547
0702 Unrealized discounts	-6	-4	-4
0799 Total balance, end of year	450,683	480,923	510,551

Object Classification (in millions of dollars)

Identification code 24-8135-0-7-602	1998 actual	1999 est.	2000 est.
25.2 Other services	100	107	102
42.0 Insurance claims and indemnities	42,668	44,433	46,409
44.0 Refunds and death claims	389	365	361
99.9 Total new obligations	43,157	44,905	46,872

EMPLOYEES LIFE INSURANCE FUND

Program and Financing (in millions of dollars)

Identification code 24-8424-0-8-602	1998 actual	1999 est.	2000 est.
Obligations by program activity:			
09.01 Regular program premiums	945	998	1,026
09.02 Optional program premiums	601	610	664
09.03 Beneficial program premiums	3	3	3
09.04 Administration	2	2	2
10.00 Total new obligations (object class 25.2)	1,551	1,613	1,695
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	18,401	19,682	21,124
22.00 New budget authority (gross)	2,832	3,055	3,160
23.90 Total budgetary resources available for obligation	21,233	22,737	24,284
23.95 Total new obligations	-1,551	-1,613	-1,695
24.40 Unobligated balance available, end of year	19,682	21,124	22,589

EMPLOYEES LIFE INSURANCE FUND—Continued

Program and Financing (in millions of dollars)—Continued

Identification code 24-8424-0-8-602	1998 actual	1999 est.	2000 est.
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	2,905	2,962	3,155
68.10 From Federal sources: Change in receivables and unpaid, unfilled orders	-73	93	5
68.90 Spending authority from offsetting collections (total)	2,832	3,055	3,160
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	-643	-580	-674
72.95 From Federal sources: Receivables and unpaid, unfilled orders	788	715	808
72.99 Total unpaid obligations, start of year	145	135	134
73.10 Total new obligations	1,551	1,613	1,695
73.20 Total outlays (gross)	-1,561	-1,615	-1,688
Unpaid obligations, end of year:			
74.40 Obligated balance, end of year	-580	-674	-672
74.95 From Federal sources: Receivables and unpaid, unfilled orders	715	808	813
74.99 Total unpaid obligations, end of year	135	134	141
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	1,561	1,615	1,688
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
88.00 Agency contributions	-391	-400	-426
88.20 Interest on U.S. securities	-1,235	-1,279	-1,314
Non-Federal sources:			
88.40 Regular program	-561	-552	-586
88.40 Optional program	-718	-731	-829
88.90 Total, offsetting collections (cash)	-2,905	-2,962	-3,155
88.95 From Federal sources: Change in receivables and unpaid, unfilled orders	73	-93	-5
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	-1,344	-1,347	-1,467
Memorandum (non-add) entries:			
92.01 Total investments, start of year: U.S. securities: Par value	18,038	19,377	20,700
92.02 Total investments, end of year: U.S. securities: Par value	19,377	20,700	22,167

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

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

Life insurance in force (in billions of dollars):	1998 actual	1999 est.	2000 est.
On active employees	441	446	451
On retired employees	46	48	50
Total	487	494	501
Number of participants (in thousands):			
Active employees	2,349	2,335	2,321
Annuitants	1,605	1,609	1,615
Total	3,954	3,944	3,936

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:

	1998 actual	1999 est.	2000 est.
<i>Status of Reserves</i>			
Held in reserve (in millions of dollars):			
Contingency reserve	65	65	65
Beneficial association program reserve	1	1	1
U.S. Treasury reserve	19,377	20,700	22,167
Total reserves	19,433	20,766	22,233

EMPLOYEES AND RETIRED EMPLOYEES HEALTH BENEFITS FUNDS

Program and Financing (in millions of dollars)

Identification code 24-9981-0-8-551	1998 actual	1999 est.	2000 est.
Obligations by program activity:			
09.01 Benefit payments	16,935	17,991	19,976
09.02 Payments from OPM contingency reserve	202	210	220
09.03 Government payment for annuitants (1960 Act)	4	3	3
09.04 Administration	20	23	23
09.99 Total reimbursable program	17,161	18,227	20,222
10.00 Total new obligations (object class 25.6)	17,161	18,227	20,222
Budgetary resources available for obligation:			
21.40 Unobligated balance available, start of year	5,574	4,548	4,289
22.00 New budget authority (gross)	16,135	17,968	20,046
23.90 Total budgetary resources available for obligation	21,709	22,516	24,335
23.95 Total new obligations	-17,161	-18,227	-20,222
24.40 Unobligated balance available, end of year	4,548	4,289	4,113
New budget authority (gross), detail:			
Spending authority from offsetting collections:			
68.00 Offsetting collections (cash)	16,695	17,920	19,963
68.10 From Federal sources: Change in receivables and unpaid, unfilled orders	-560	48	83
68.90 Spending authority from offsetting collections (total)	16,135	17,968	20,046
Change in unpaid obligations:			
Unpaid obligations, start of year:			
72.40 Obligated balance, start of year	1,128	1,688	1,702
72.95 From Federal sources: Receivables and unpaid, unfilled orders	1,248	688	736
72.99 Total unpaid obligations, start of year	2,376	2,376	2,438
73.10 Total new obligations	17,161	18,227	20,222
73.20 Total outlays (gross)	-17,160	-18,165	-20,089
Unpaid obligations, end of year:			
74.40 Obligated balance, end of year	1,688	1,702	1,752
74.95 From Federal sources: Receivables and unpaid, unfilled orders	688	736	819
74.99 Total unpaid obligations, end of year	2,376	2,438	2,571
Outlays (gross), detail:			
86.97 Outlays from new permanent authority	15,912	17,477	19,353
86.98 Outlays from permanent balances	1,248	688	736
87.00 Total outlays (gross)	17,160	18,165	20,089
Offsets:			
Against gross budget authority and outlays:			
Offsetting collections (cash) from:			
Federal sources:			
88.00 Agency contributions	-6,876	-7,503	-8,289
88.00 Government contributions for annuitants	-4,808	-5,116	-5,762
88.20 Interest on U.S. securities	-462	-408	-376
Non-Federal sources:			
88.40 Employee salary withholdings	-2,383	-2,557	-2,880
88.40 Annuity withholdings	-2,100	-2,279	-2,599
88.40 Contributions from D.C. Government	-66	-57	-57
88.90 Total, offsetting collections (cash)	-16,695	-17,920	-19,963
88.95 From Federal sources: Change in receivables and unpaid, unfilled orders	560	-48	-83
Net budget authority and outlays:			
89.00 Budget authority			
90.00 Outlays	466	245	126

Memorandum (non-add) entries:

92.01	Total investments, start of year: U.S. securities: Par value	6,787	6,265	6,020
92.02	Total investments, end of year: U.S. securities: Par value	6,265	6,020	5,893

Status of Funds (in millions of dollars)

Identification code 24-9981-0-8-551	1998 actual	1999 est.	2000 est.
Unexpended balance, start of year:			
0100 Treasury balance	3	6	6
U.S. Securities:			
0101 Par value	6,787	6,265	6,020
0102 Unrealized discounts	-87	-34	-34
0199 Total balance, start of year	6,703	6,237	5,992
Cash income during the year:			
Offsetting collections:			
0280 Contributions from Employing Agencies	4,324	4,803	5,274
0281 Contributions from Postal Service for Active Employees	2,552	2,701	3,015
0282 Contributions from Postal Service for Annuitants	739	621	692
Offsetting collections:			
0283 Government Payment for Annuitant Health Benefits	4,069	4,495	5,070
0283 Government Payment for Annuitants, Other			
0284 Interest Earned	462	408	376
0285 Contributions from DC Government	66	57	57
0286 Contributions from Active Employees	2,383	2,557	2,880
0287 Contributions from Annuitants	2,100	2,279	2,599
0299 Total cash income	16,695	17,921	19,963
Cash outgo during year:			
0501 Benefit Payments	-16,938	-17,933	-19,846
0502 Payments to Carriers from OPM Contingency Reserve	-202	-210	-220
0503 Administration	-20	-23	-23
0599 Total cash outgo (-)	-17,160	-18,166	-20,089
Unexpended balance, end of year:			
0700 Uninvested balance	6	6	6
U.S. Securities:			
0701 Par value	6,265	6,020	5,893
0702 Unrealized discounts	-34	-34	-34
0799 Total balance, end of year	6,237	5,992	5,865

This display combines the Federal Employees Health Benefits (FEHB) fund and the Retired Employees Health Benefit (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 the Office of Personnel Management (OPM) in administering the program.

The REHB fund, created by the Retired Employees Health Benefits Act of 1960, provides for: (1) the cost of health bene-

fits 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 EHB fund is available for payments without fiscal year limitation. Numbers of participants at the end of each fiscal year are as follows:

	1998 actual	1999 est.	2000 est.
Active employees	2,265,000	2,215,000	2,215,000
Annuitants	1,855,000	1,875,000	1,895,000
Total	4,120,000	4,090,000	4,110,000

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:

	1998 actual	1999 est.	2000 est.
Uniform plan	1,500	1,200	1,000
Private plans	5,100	4,200	3,500
Total	6,600	5,400	4,500

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

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

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