MODERNIZING TODAY

The Modernization Effort—Web-based Services

Ed Flynn, Associate Director
for Retirement and Insurance

The Internet is a hit. This is a fact proven by our current technology-driven economy. At least 40 percent of the Federal retirement system's annuitants use the Internet, so it is easy to see that we need to become a part of the information highway. This issue of *Modernizing Today* shows how the Retirement and Insurance Service (RIS) has participated in this national trend and reinforces why we continue to increase our presence on the web to meet the demands of our customers.

On the afternoon of September 30, 1996, the Office of Personnel Management (OPM) made its first giant leap into cyberspace by posting the OPM website on the Internet. Statistics during that first year show that the total number of times someone linked to or "hit" a retirement page in a 2-week period was 5,258. A 2-week period this summer brought 66,401 hits to major RIS pages.

These numbers indicate that the need and use of our web-based services has grown over time. A large and growing number of our customers have come to rely on the web as a way to conduct business. Employees download pamphlets containing all types of general retirement information and access data on health insurance carriers during the Federal Employees Health Benefits (FEHB) open season. Retirees change their mailing address or request duplicate tax-filing statements. Human Resources Specialists obtain the latest Civil Service Retirement System, Federal Employees Retirement System, FEHB and Federal Employees Group Life Insurance information in Benefits Administration Letters. Attendees at our Federal Benefits Conference and Fall Festival of Training use electronic commerce to register and pay for classes. These are only a few of the services our web pages provide for our broad range of customers.

The Internet has allowed OPM and other Federal agencies to provide services more quickly and efficiently than ever before. This powerful tool places a demand on RIS to remain innovative in meeting the online needs of our customers. Articles in this issue of *Modernizing Today* talk about what RIS is doing to meet the challenges of doing business on the web.

Another important issue highlighted in this newsletter is that as we continue to modernize in today's hi-tech world, the foundation for building this new technology infrastructure is firmly built on a very old and low-tech idea,

Modernization effort— *A strategic initiative to rethink, reevaluate, and ultimately reengineer the various processes that support and provide retirement services.*

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human relationships. All of these articles speak of the importance of good working relationships and partnerships.

In this issue, one of our partners, Bill Smith, a representative of the National Association of Retired Federal Employees (NARFE), points out that NARFE and the Office of Personnel Management (OPM) were initially concerned with whether or not retirees would catch on to using the web in retirement, but he says "We're finding even the older members are using computers more—especially email." Also, NARFE's website points out that seven out of ten new members joining NARFE now have computers and are on the NARFE electronic network. So, our initial concerns were unfounded.

As the Modernization effort expands, Internet use by everyone doing business with the retirement system will increase dramatically. For an insightful look at our past, present and future I invite you to read this issue of *Modernizing Today*. Featured articles this month include:

- Information on the new Benefits Officers Resource Center and the Fall Festival of Training,
- An interview with Bill Smith of NARFE,
- Information on the Federal Human Resources Data Network (HRDN).

Have questions or comments? Email the author at EDFLYNN@opm.gov.

In this issue

Quotable Quote

From a Federal Retiree on the new per-sonalized retirement booklet, "Your Federal Retirement Benefits."

Richard L. Remski
Dayton, OH

"This week I received my personalized booklet outlining the current status of my pension and retirement benefits, and I wanted to take this opportunity to thank you for this excellent product!"

"I am very impressed with both the personalization and the compact, complete, plain language format and text. I found the quality and accuracy to be outstanding. You have anticipated and answered most questions in this resource booklet."

Retiree reaction to our new retirement statement has been overwhelmingly positive. Mr. Remski's comment is one of the many letters of appreciation we received on this new product of Modernization.

Your Federal **Retirement Benefits**

United States Office of Personnel

Retirement and Insurance Service

Human Resources Data Network: Taking the Byte Out of Paper

By John Moseley
Federal Human Resources Data Network
Executive Program Manager

Record keeping for the Federal government workforce is in need of substantial change. Anyone who has transferred between agencies knows the feeling of becoming a new Federal employee all over again. For some poor souls, this might mean the inadvertent termination of health coverage or life insurance, or goofed up leave balances and tax withholdings. Currently, agencies enter and reenter information from paper source documents as employees move from agency to agency. This practice surely leads to an increased probability of human error.

For agencies and the Office of Personnel Management (OPM), information gathering and reporting can be slow, labor-intensive, and inaccurate if the information is not electronically available, current, and easily "extractable." Creating, extracting, moving, and piling paper for filing in a folder, which then must be found, extracted, opened, filled, and placed back in storage, is obsolete. Finally, repetitive and redundant keying of data is very costly and error prone.

So, imagine a world where we can link a number of diverse, transactional Human Resources systems to allow the flow of information across the lines between agencies, including an electronic Official Employee Record. This is the world of the Human Resources Data Network (HRDN). The HRDN Program may be the first governmentwide information technology effort to improve the operations of an entire community and the workforce that it supports.

Much work has to be done by OPM and agencies to deliver the HRDN. First we begin our planning and reengineering work to confirm which data should (and should not) be included in the HRDN. Several major Human Resources programs, such as the Retirement Systems Modernization effort (that you've read much about in *Modernizing Today*), will use the HRDN for their data pool. We are working closely with the Modernization effort to capture the information the Retirement and Insurance Service needs for future electronic retirement transactions. It is indeed a worthwhile and necessary coordination effort between two fine strategic initiatives.

Human Resources Data Network: Taking the Byte Out of Paper

Governmentwide reporting will significantly improve with the Human Resources Data Network (HRDN). For example, the Office of Personnel Management (OPM) compiles data for reporting to the Office of Management and Budget, General Accounting Office, Equal Employment Opportunity Commission, and Congress. Currently, the Central Personnel Data File captures some of the information. It is fed by agency data. The other information must be gathered the old-fashioned way—by hand. As such, the HRDN Program will re-examine and document OPM's data needs to define what information must be collected and stored electronically. This will ensure that information can be retrieved from one source measured at a fraction of the current cost and time.

Now let's focus on the Official Personnel Folder. Over 65 percent of information in the paper folder, for some 1.8 million Federal employees, is not captured in an electronic database. If we shift from the paper mode to the electronic, we must ask what information must we capture to support employees throughout their careers and beyond. That is the focus of another upcoming work group. Other work groups will examine such areas as user access and security, legal sufficiency, electronic signature requirements, conversion of paper records, and public and private sector benchmarks for the HRDN architecture. And while we are examining what information must be captured for reports and employee records, we want to know if we, as a community, are collecting data that we no longer need to collect. I believe it is an exciting vision!

The HRDN Program is structured to take advantage of the experienced human resources and information technology talent present in the Federal workforce. Interagency work groups, supported by contractor employees, began forming in mid-September to perform specific HRDN tasks.

If you are interested in more information about this exciting and monumental undertaking, contact me at (202) 606-1191 or email jcmosele@opm.gov.

Modernizing Today Interviews...Bill Smith

By Agnes Kalland

For many years, Bill was a Retirement and Insurance Policy Service employee; he held various program and policy positions in the former Office of Retirement and Insurance Policy and the Office of Retirement Programs. He retired from Federal service in 1993 and went to work for the National Association of Retired Federal Employees (NARFE) and now heads up the Retirement Benefits Office there. Bill will fully retire in December after a 40-year career.

In July 2000, Bill sat down with Agnes Kalland to talk about Retirement Systems Modernization. Here is an excerpt from the inter - view. To read the full interview, see "Interview with Bill Smith" when you visit our Retirement Systems Modernization website at www.opm.gov/retire/modern.

MT. Bill, you have an almost unique relationship and history with the retirement program—as employee, partner, and consumer. What do you think about the Retirement Systems Modernization effort so far?

Bill. Speaking both for myself and for the organization, NARFE, we're pleased. We've been more than happy with the kind of improvements we've seen come out of this project to date. We're excited about seeing more changes too.

MT. I understand that you have quite a bit of feedback from NARFE members concerning improvements from the Modernization effort. What are some of them?

Bill. We get a lot of compliments directed at the Office of Personnel Management (OPM) . For exam- ple OPM's willingness to:

- Give annuitants the ability to change tax withholdings, make open season changes, and change tax withholdings by using the toll-free telephone number—a toll-free number that NARFE has been an advo- cate of for many years
- Make these same changes available via web-based services

Also, members tell us they are seeing improved timeliness in the processing of initial claims and survivor benefits, especially in the survivor benefit area. In many cases we hear from people who say that—because of the expedited processing—they actually received their first payment before they received the application for death benefits.

MT. On a slightly different note, I understand you are having your own modernization at NARFE.

Bill. Exactly. We are. We thought initially that our members would not be receptive to websites and email and so forth, because of the fact that they're older and they're not used to this. But that has proven not to be true. Our younger and newer members used computers when they were on the job and they're using them now. We're finding even the older members are using computers more—especially email. And, we're getting more and more hits on our website as time goes on.

MT. You've said some very positive things about retirement program employees. May I record a few?

Bill. Well, please do. Our staff deals with everybody there at OPM—from the first line worker up to the highest-level supervi- sors. And they've all been quite helpful and cooperative. It's just been a great relationship. So whatever we can do to foster that in the future we're here to do it. I will not personally be here after December, but I'm sure the staff will carry on that tradition.

MT. Do you think NARFE and the Retirement Systems Modernization effort have a common purpose?

Bill. We do indeed. Janice Lachance uses the term "partners." We are one of the groups that OPM is interested in—since we represent retirees. Both sides are to be commended, especially

Modernizing Today Interviews…Bill Smith

OPM for providing information to us and asking for our feedback and assistance.

MT. Our readers are interested in how NARFE is structured and just what a big web of an organization it actually is. Would you explain its structure?

Bill. Sure. It starts at the headquarters here in Alexandria, VA. We have four elected officers here. We have a convention every two years, where the officers are elected. Going down to the next level, we have ten regional field vice presidents for different areas of the country. And then from that level, we go to Federations. There are 54 of those. And then it spreads out into Chapters. There are 1,645 Chapters throughout the country.

MT. And they feed information up to headquarters?

Bill. Exactly. And we try to feed it back down, also. As you know, we have a magazine, *Retirement Life*, that goes to all 430,000 members, plus others who are not members but sign up for the magazine just to get it. So we have that way of getting information out to people. We also send out newsletters to our officers and chapters throughout the country to try to keep them up to date on what's happening. We rely heavily on information provided by OPM in doing that.

MT. On a personal note, you're close to yet again retiring and you're off to North Carolina. I doubt you'll just sit back and relax all the time.

Bill. No, I plan to be busy. Like most retirees, I think I'll do a lot of things. I told someone the other day that I thought 40 years was enough. That it was time for me to fully retire; devote some time to leisurely activities like playing golf, going to the beach, and doing things I like to do. So, we're looking forward to moving down to North Carolina and building a house down there. My wife Kathie and I plan to just take it easy the rest of our years and watch our grandchildren grow.

MT. That's great. Well, did you have anything you wanted to add?

Bill. Well, again, I just would like to congratulate OPM on the things they've done in terms of improving service to retirees—in general. And, more specifically, the kind of cooperation we've had between NARFE and OPM—thanks to Janice Lachance and others on her staff. It's been a treat for me to work with them.

When I came here to NARFE, I initially was doing pretty much the same work that I did at OPM. The fact that we can answer questions directly and help our members with their concerns is quite satisfying and rewarding.

I would recommend to anyone who's been in the personnel field that's interested in this kind of work to get associated with NARFE at the local level and help us out. I plan to do some volunteer work for NARFE in the future when I'm retired too.

MT. It was wonderful, talking with you, Bill. I so much appreciate your doing this interview.

Bill. It's my pleasure. Anything I can do to foster this relationship between NARFE and OPM is good for us, it's good for our members, and it's good for OPM, I hope.

Have questions or comments? Email the author at Amkallan@opm.gov.

Bill, thank you for this inter-view. Congratulations to you on your retirement. We wish you and your family the very best!—**MT**

Office of Retirement Programs Offers Efficient Web-Based Services

By Debra Danforth and Tom Smith
Operations Support Division

Bag the biggest buzz on the business beat these days and the word is "e-commerce." The government version of this buzz is "e-gov" or electronic government. Behind this buzzword are people using technology to improve government services and make them easily available and efficient.

For the Office of Retirement Programs (ORP), which serves over two million annuitants, the ramifications of providing service via the World Wide Web are tremendous. According to our surveys, an estimated 40 percent of annuitants have Internet access. If even a fraction of these customers complete their changes using

web-based services, the potential impact on providing customer support for routine business transactions is significant. For example, in a recent fiscal year, we received over 500,000 address change notifications from annuitants.

The bottom-line is that we want to provide our customers premium customer service. As you have read in previous bulletins, the retirement system is undergoing a long-term, strategic initiative called the Modernization effort to do just that. During the meantime, there are modernization products that we can develop and offer to our customers now—some of those products are the web-based services mentioned.

With web-based services, the opportunity exists to make routine service more readily available, increasing customer satisfaction,

and creating an efficient, paperless process. With this vision, we created Services Online.

What is Services Online?

Services Online is a secure, web-based, self-service benefits center modeled after the Employee Express website. As some of you may know, Employee Express is a self-service system for Federal employees—it was created and is maintained with technical support from the Employment Service staff at the Macon Technology Support Center. Employee Express allows Federal employees to change their address or TSP allotments, among other things. In modeling the Services Online website after Employee Express, we believed there would be a "seamless transition" for retiring employees who are familiar with this system.

Retirees can access Services Online from the Federal Retirement Program's website at www.opm.gov/retire and select "Tools" from the menu at the top of the page. Although the Services Online selection is only available to retirees, the website has a variety of other information available to non-retirees.

Using Services Online annuitants can:

- Change a mailing address,
- Establish, change, or stop an allotment to an organization,
- Start the direct deposit of a
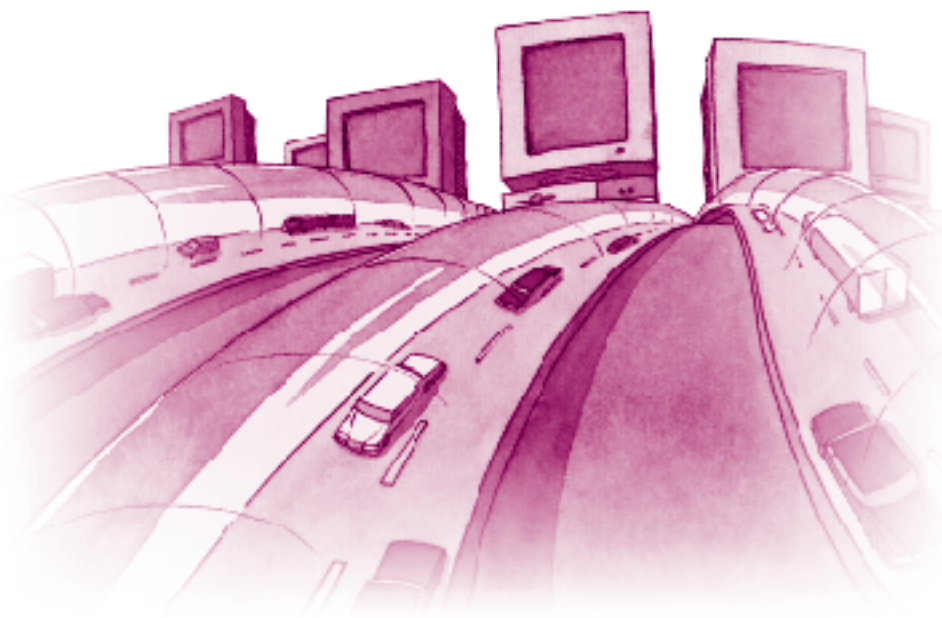
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payment or change the account or financial institution to which it is sent,

- Start, change, or stop Federal and State income tax withholdings,
- Buy, change, or stop savings bonds,
- Request duplicate tax-filing statements (1099R),
- Change Personal Identification Numbers (PIN) for accessing our automated systems.

What Are the Results?

Customer satisfaction is high with approximately 9,500 account changes made through the website. Survey results show 96 percent of our customers report that they like making their own payment changes. These transactions represent improved service

delivery with reduced processing cycle times. It also means the staff resources can be redirected to less routine requests and changes.

Our customers say it best themselves with comments such as, "I wish more agencies would take notice of your lead in offering these services over the Internet." Or "…everything went real slick, it was great," and "Your online services feature is great! It is quick and easy to use."

With the recent addition of the address change and direct deposit functions, we believe access rates will continue to increase.

What Is Next?

Though customer satisfaction is currently high; expectations continue to grow. People want access to more benefits information through the website. They are interested in finding the amount of their next payment, confirming their deductions, checking their life insurance coverage values, and verifying the amount of elected survivor benefits.

Services Online is a tool that will help us continue to serve our customer needs in a manner that is consistent with the vision of service that is available, accessible, and efficient.

Have questions or comments? Email the authors at Dgdanfor@opm.gov and Twsmith2@opm.gov

Percentage of Users Who Liked Processing Their Own Actions

Yes 96%

No 4%
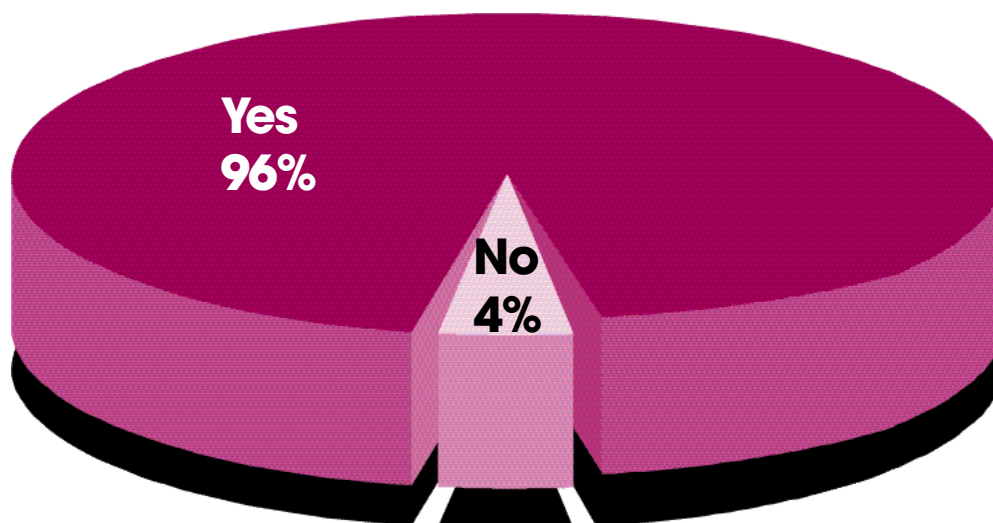
THE FALL FESTIVAL OF TRAINING

By Irene Meader
Benefits Officers Resource Center

Are you an experienced agency retirement counselor who wants to hone your knowledge of the Federal benefits programs? Do you have basic knowledge that you want to improve? Do you want to be sure your knowledge is up-to-date? If you answered yes to any of these questions, the Retirement and Insurance Service's fourth annual Fall Festival of Training may offer what you are looking for.

The Fall Festival of Training offers agencies an array of one and two-day workshops to help benefits counselors increase their knowledge of the Federal benefits programs and improve their counseling skills. The workshops provide an intensive, high-energy learning experience on selected topics. This year, they include Retirement Coverage Issues, Counseling Employees in Crisis, Military and Civilian Deposits under CSRS and FERS, Social Security Overview, Part-time Computations, All About FEHB, All About FEGLI, Reemployed Annuitants, and Workers' Compensation Issues.

As you can see by these titles, the Festival reflects a partnership with other benefits paying agencies. In addition, several workshops focus on the interrelationships among the programs that OPM, the Social Security Administration, the Thrift Retirement Investment Board, and the Office of Workers' Compensation Program administer. As anyone who works in the benefits area can attest, pinning down how these interrelationships work is one of the most challenging, but crucial, parts of your job in order to answer employee questions accurately.

You may wonder what the Fall Festival has to do with the Modernization effort. For starters, events like the Festival are prime vehicles for attendees to learn about the effort's progress and even pick up copies of the *Modernizing Today* bulletin. Also, just as the Festival works to bring agency counselors retirement program information, so too will the Modernization effort develop, and deliver in a variety of formats, retirement-related topics for agencies to use while counseling their employees. This year's Festival takes place from November 28 though December 1 at the Omni Richmond Hotel in Richmond, Virginia. For details, go to www.opm.gov/benefits.

If you can't make the Fall Festival, you can make plans to attend next year's 2001 Federal Benefits Conference which will be held in June. Classes for the conference typically fill up very quickly, so you need to register as soon as the event is announced. Watch for the announcement of the 2001 Conference—it will be posted early in 2001 on the same site mentioned earlier. The pre-conference classes presented in conjunction with the conference include many of the same topics covered at the Fall Festival. The 2001 conference will take place in Norfolk, Virginia.

The Retirement and Insurance Services Benefits Officers Resource Center sponsors these events. (You may be more familiar with the Center's old name— Agency Service's Division. We changed our name to better reflect what we do.) We provide direct assistance to agency headquarters level benefits officers, and develop tools such as the CSRS and FERS Handbook for Personnel and Payroll Offices. We also make a growing range of resources for employee use available to agencies—ranging from the venerable Retirement Facts pamphlets to the Benefits Center CD-ROM to a just-completed video for new employees on the benefits package. If you haven't looked at our website lately, please check it out at www.opm.gov/benefits. We are redesigning it to provide more information for both employees and benefits officers.

Have questions or comments? Email the author at Eimeader@opm.gov.

Faces of Modernization

These are just a few of the faces of Modernization. The Modernization effort involves many activities and requires the Modernization Team to—

- Look at work processes,
- Collect data, validate data, analyze results,
- Survey and listen to our customers,
- Make recommendations, report to oversight committees,
- Design/purchase technology, and much more.

We want to highlight that there are people behind each task, each accomplishment, and each work session. We will continue to have more Faces of Modernization in upcoming issues. See if you recognize these folks!

*From left to right, here are **Ruth Gardner** and **Karen Quander** from OPM's Financial Management Branch in Washington, D.C. They served as subject matter experts in a validation session on data needs and requirements. Their insight and expertise helped the Modernization team understand overpayments. With Ruth and Karen's help, the team was able to validate that the data collected was accurate and make critical changes.*

***Vic Karcher** strikes a pose in his OPM home office of Boyers, PA. Vic formerly worked at OPM in Washington. Vic participates as a subject matter expert in many areas of the Modernization effort. He recently worked with American Management Systems, one of our Modernization contractors, and the Office of Retirement Programs in developing a Knowledge Management Strategy.*

Faces of Modernization

Janet Bass *is known for her lovely smile, besides being the supervisor for the Retirement Information Office in Boyers, PA. Janet fre - quently comes to D.C. for Modernization activities. She brings expertise and her concern for call center operations as well as employee access to tools and training. She recently participat - ed in a work group with IBM, another one of the Modernization contractors, to lay down the initial technology foundation for OPM's modernized Call Centers.*

*Agencies are involved too! In the second row, we see two of our agency stakeholders—**Syrena West**, Department of Defense (left), and **Eleanor Ratcliff**, Department of Agriculture. Syrena and Eleanor, like our other agency representatives, provide expertise, insight, guid - ance, and support for the Modernization effort. Having a Modernization team that repre - sents all the retirement program perspectives is key to our suc - cess. Also pictured—**Nancy Renick** from OPM's Retirement Operations Center, and in the background— **Michael Mondy** (left) and **Mike Isman** from American Management Systems.*

Modernization Communications Committee Members

From the Agency Advisory Committee

Eleanor Ratcliff
Department of Agriculture
Syrena West
Department of Defense

From OPM

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Sandy Ringler
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Mary Sugar
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Diane Tyler
Business Systems Reengineering Division
Bernadine Walker
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