

FEDERAL ELECTION COMMISSION

OFFICE OF INSPECTOR GENERAL



SPECIAL PROJECT

FEC RETIREMENT

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Retirement Report

The Office of Inspector General (OIG) has analyzed and summarized data on the retirement eligibility and projections for Federal Election Commission (FEC) employees over the next ten years. Studies conducted by government oversight agencies such as the General Accounting Office (GAO) and the Office of Personnel Management (OPM) have predicted a potential gloomy retirement scenario for the Federal government. The potential problem could significantly impact the Federal government's ability to manage its tasks and programs due to the possibility of large numbers of employees that may retire over a relatively short period of time.

The aging workforce and government attrition are the primary factors that contribute to the potential crisis. The Congressional Budget Office (CBO) reported¹ in 1985, about 25% of the Federal workforce was over age 50. As of December 2000, the comparable figure was almost 40%. Nearly three-quarters of the Federal workforce is over age 40. In contrast, only about half of all employed workers in the United States are over 40. In addition, from 1985 through 2000, the Federal government experienced a net decrease of about 430,000 civilian workers, or 19%.²

The GAO in January 2001 added "*strategic human capital management*" as a government-wide high-risk area. The GAO's high risk reports, started in 1990, are a means to focus attention on problems that are impeding effective government and have a greater vulnerability to fraud, waste, abuse, and mismanagement. Twenty-two government areas comprise the 2001 high-risk list, including information technology security, the Medicare program, and collection of unpaid taxes, among others.

Strategic human capital management, according to the GAO, is necessary to address agency human capital challenges, such as succession planning, skills imbalances, outdated performance management systems, and understaffing.

FEC Retirement Statistics

The retirement statistics compiled and reviewed by the OIG were obtained from the Personnel Office, Data Systems Development Division, and OPM. The data reviewed included current, five, seven, and ten year retirement eligibility for FEC staff. It is important to note *eligibility* does not necessarily equate to actual retirement. Therefore, the OIG also obtained from OPM retirement projection figures which represent the expected future retirements for the FEC staff based on statistical calculations using prior FEC retirement trends and age profile of the FEC staff. The eligibility and projection data are summarized in appendices I through V at the end of this report.

¹ Changes In Federal Civilian Employment: An Update, May 2001.

² Statistics are excluding the 170,000 temporary employees hired for the 2000 decennial census.

The retirement data reviewed represents only regular retirement, not early retirement. Employees are generally able to voluntarily retire (regular retirement) under the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS) provided they meet any of the following scenarios:

- (1) Are 55-59 years of age and have 30 or more years of service.
- (2) Are 60-61 years of age and have 20 or more years of service.
- (3) Are 62 years of age and have 5 or more years of service.

Early retirement is possible only if the OPM specifically designates early-out authority to an agency who is undergoing a major reduction-in-force (RIF), major reorganization, or transfer of agency function. Early-out authority includes a separate time schedule for determining retirement eligibility, one of which is the ability for designated agency staff to retire at any age, provided the employee has at least 25 years of creditable service.

Several Key FEC Retirement Statistics:

- As of 9/2001, 12 (3.4%) current staff members are eligible for regular retirement; by 2008, a cumulative 79 (22.1%) staff will be eligible. [Appendix I]
- 22 (31%) of the FEC's supervisors/managers will have become eligible for retirement by the end of 2006; 35 (49%) by the end of 2008. [Appendix II]
- 11 (46%) office heads will have become eligible for retirement by the end of 2006; 67% by the end of 2008. [Appendix II, III]
- The FEC's staff is an average 40.3 years of age and the average length of service of the staff is 11.6 years; the Washington D.C. Federal government averages are 45.3 and 16.5 respectively, differences of 5 and 4.9. [Appendix IV]

Conclusion

The OIG concluded the risk associated with losing substantial numbers of employees to retirement is considerably less for the Commission than it is for the Federal government as a whole.

A moderate difference exists in the next few years between OPM's projected FEC retirements compared to the Federal government as a whole [Appendix IV]. Based on October 2000 data, OPM predicts by the end of 2006, 44 employees (13.4%) will have retired from the FEC, compared to 22.8% for the Federal government in the D.C. area. This moderate difference increases in later years, and by the end of 2010, the OPM projects 25.6% of the FEC staff will have retired, 38.7% for the Federal government

(D.C.), a 13.1% difference. The workforce characteristics in appendix IV show both a younger workforce and shorter length of service for the FEC staff when compared to the Federal government.

FEC division and job series retirement eligibility were reviewed to identify any unusual retirement patterns. By the end of 2008, 7 (29%) of the 24 FEC staff offices will have 40% or more of their staff eligible for retirement. The FEC's organizational structure and size are the primary contributors. [*In accordance with the Privacy Act of 1974, as amended, 5 U.S.C., section 552a, a sentence has been deleted.*]

Although the overall staff retirement scenario appears to be reasonable for the FEC, the FEC's potential loss of a large number of office heads over the next several years is noteworthy. Appendices II and III show that 21% of the 24 office heads are *currently* eligible for retirement. By the end of calendar year 2006, 46% will have become eligible for regular retirement; 67% by the end of calendar year 2008. These numbers are noteworthy due to the FEC's organizational structure consisting of several small offices with potentially only a handful of staff to draw upon possessing the institutional knowledge of the divisions' operations.

The Office of Management and Budget (OMB) conducted a workforce planning and restructuring survey of Federal agencies in June of 2001. The FEC acknowledged to the OMB in June that "the most significant result of possible retirements over the next five years will be the loss of senior management." The FEC also reported to the OMB that budget limitations have precluded the FEC from establishing an executive development program, a way to possibly address the retirement scenario. An executive development program can include such things as formal training and mentoring programs geared towards grooming first-level supervisors for upward mobility within an organization.

According to the GAO, high-performing organizations establish a clear set of organizational intents—mission, vision, core values, goals and objectives, and strategies—and then integrate their human capital strategies to support these strategic and programmatic goals. However, under downsizing, budgetary, and other pressures, GAO acknowledges that agencies have not consistently taken a strategic, results-oriented approach to human capital planning.

The strategic planning requirements of the Government Performance and Results Act (GPRA) provide a useful framework for the FEC to integrate their human capital strategies with their strategic and programmatic planning—to identify the workforce size and skills mix needed for mission accomplishment and to create strategies to fill the gaps.

OMB Circular A-11, Section 220, Preparation and Submission of Annual Performance Plans, states agency's annual performance plans "should include a performance goal(s) covering the human resources strategies, such as recruitment, retention, skill

development and training, and appraisals linked to program performance, that help support agency's programs." The FEC's 2002 and 2003 performance plans, submitted along with the FEC's budget requests, did not include a performance goal(s) addressing human resources strategies. It would be reasonable to not include human resources goals in a performance plan without the identification of a problem or need. However, the OIG believes the retirement of senior management over the next several years would benefit by incorporating human resources goals in future performance plans to ensure the FEC is successful in meeting its mission.

Agency/Division Staff Currently Eligible for Regular Retirement

Appendix I

(As of September, 2001)

Division	Total Division Staff	Number Eligible to Retire	Percent Eligible
10 Administrative Division	21	0	0.0%
20 Audit Division	40	1	2.5%
30 Information Division	13	0	0.0%
40 Office of General Counsel	117	5	4.3%
50 Clearinghouse	5	0	0.0%
60 Data Systems Development Division	47	1	2.1%
70 Public Disclosure Division	13	0	0.0%
75 Reports Analysis Division	45	1	2.2%
80 Office of the Commissioners	21	0	0.0%
85 Office of the Inspector General	4		
90 Office of the Staff Director	14	3	21.4%
91 Office of Planning and Management	2		
92 Office of Personnel	6	0	0.0%
93 Press Office	4		
94 Office of Equal Employment Opportunity	1		
97 Alternative Dispute Resolution	2		
98 Administrative Review	2		
Agency Totals	357	12	3.4%

Agency/Division Staff Eligible for Regular Retirement Within 5 Years

(As of September, 2001)

Cumulative

Division	Total Division Staff	Number Eligible to Retire	Percent Eligible
10 Administrative Division	21	1	4.8%
20 Audit Division	40	6	15.0%
30 Information Division	13	0	0.0%
40 Office of General Counsel	117	14	12.0%
50 Clearinghouse	5	1	20.0%
60 Data Systems Development Division	47	4	8.5%
70 Public Disclosure Division	13	0	0.0%
75 Reports Analysis Division	45	1	2.2%
80 Office of the Commissioners	21	3	14.3%
85 Office of the Inspector General	4		
90 Office of the Staff Director	14	5	35.7%
91 Office of Planning and Management	2		
92 Office of Personnel	6	1	16.7%
93 Press Office	4		
94 Office of Equal Employment Opportunity	1		
97 Alternative Dispute Resolution	2		
98 Administrative Review	2		
Agency Totals	357	41	11.5%

[Note: In accordance with the Privacy Act of 1974, as amended, 5 U.S.C., section 552a, some information has been deleted.]

Agency/Division Staff Eligible for Regular Retirement Within 7 Years

(As of September, 2001)

Cumulative

Division	Total Division Staff	Number Eligible to Retire	Percent Eligible
10 Administrative Division	21	6	28.6%
20 Audit Division	40	11	27.5%
30 Information Division	13	0	0.0%
40 Office of General Counsel	117	22	18.8%
50 Clearinghouse	5	3	60.0%
60 Data Systems Development Division	47	9	19.1%
70 Public Disclosure Division	13	2	15.4%
75 Reports Analysis Division	45	5	11.1%
80 Office of the Commissioners	21	6	28.6%
85 Office of the Inspector General	4		
90 Office of the Staff Director	14	6	42.9%
91 Office of Planning and Management	2		
92 Office of Personnel	6	1	16.7%
93 Press Office	4		
94 Office of Equal Employment Opportunity	1		
97 Alternative Dispute Resolution	2		
98 Administrative Review	2		
Agency Totals	357	79	22.1%

Agency/Division Staff Eligible for Regular Retirement Within 10 Years

(As of September, 2001)

Cumulative

Division	Total Division Staff	Number Eligible to Retire	Percent Eligible
10 Administrative Division	21	7	33.3%
20 Audit Division	40	15	37.5%
30 Information Division	13	1	7.7%
40 Office of General Counsel	117	31	26.5%
50 Clearinghouse	5	3	60.0%
60 Data Systems Development Division	47	18	38.3%
70 Public Disclosure Division	13	3	23.1%
75 Reports Analysis Division	45	6	13.3%
80 Office of the Commissioners	21	10	47.6%
85 Office of the Inspector General	4		
90 Office of the Staff Director	14	7	50.0%
91 Office of Planning and Management	2		
92 Office of Personnel	6	2	33.3%
93 Press Office	4		
94 Office of Equal Employment Opportunity	1		
97 Alternative Dispute Resolution	2		
98 Administrative Review	2		
Agency Totals	357	111	31.1%

[Note: In accordance with the Privacy Act of 1974, as amended, 5 U.S.C., section 552a, some information has been deleted.]

**Number and Percentage of Supervisory and Non-Supervisory Personnel
Becoming Eligible for Regular Retirement for Selected Time Periods**

	Supervisor/Mgr.	Non-Supervisor
Current CY 2001	7 (10 %)	5 (2 %)
CYs 2002-2006	15 (21 %)	14 (5 %)
CYs 2007-2008	13 (18 %)	25 (9 %)
CYs 2009-2011	9 (13 %)	23 (8 %)
Post CY 2011	27 (38 %)	219 (76 %)
Total	71 (100 %)	286 (100 %)

**Number and Percentage of Staff Office Heads
Becoming Eligible for Regular Retirement for Selected Time Periods**

Current CY 2001	5 (21 %)
CYs 2002-2006	6 (25 %)
CYs 2007-2008	5 (21 %)
CYs 2009-2011	1 (4 %)
Post CY 2011	7 (29 %)
Total	24 (100 %)

Staff office head=24 staff offices listed on the FEC organizational chart.

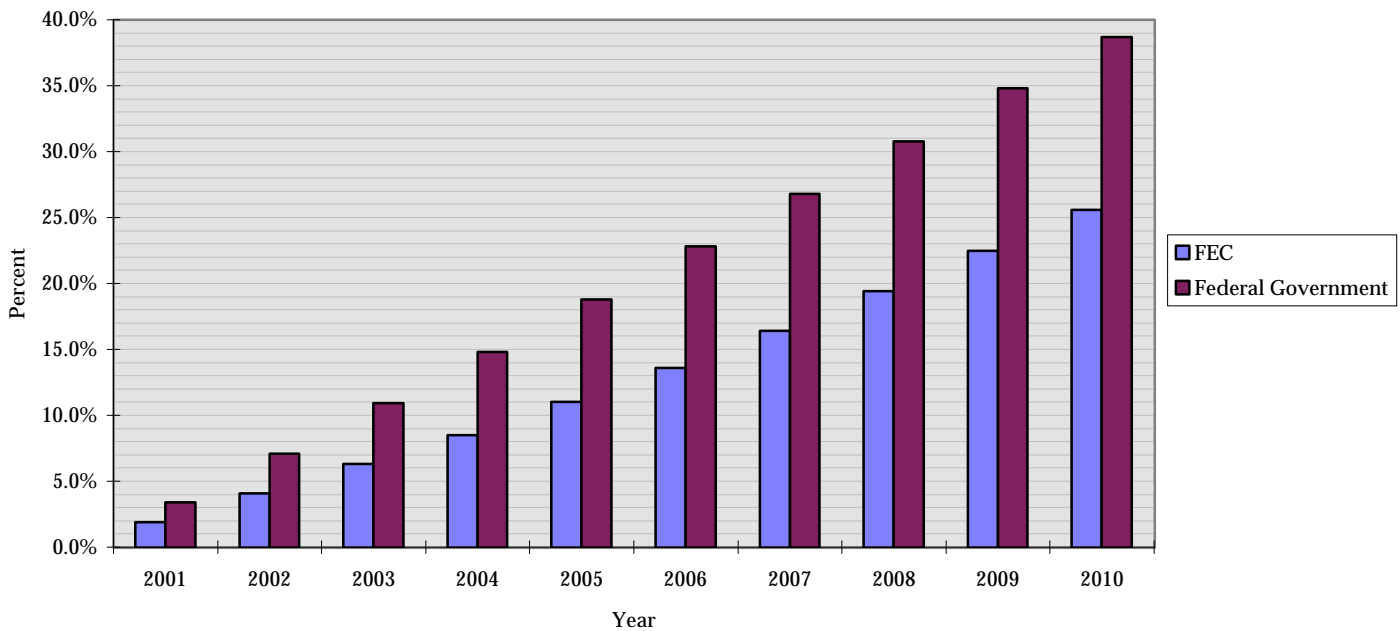
Appendix III of the report included Federal Election Commission employee names, position titles, and retirement information. In accordance with the Privacy Act of 1974, as amended, 5 U.S.C., section 552a, this information has been deleted.

Comparative Workforce Statistics

Characteristic	FEC	Federal Government (Washington, DC*)
Average Age	40.3	45.3
Average Length of Service	11.6 years	16.5 years
Education:		
Bachelors or Higher	63.2%	52.5%
Less than Bachelors	28.6	44.2
Unspecified	8.2	3.3
Supervisory Status:		
Supervisor	19.1%	12.9%
Non-supervisor	80.9	87.1
Average Grade Level	10.9	11.3
Gender Profile:		
Men	43.9%	49.3%
Women	56.1	50.7

*Statistics as of June 2001 and exclude the U.S. Postal Service.
 Source: Office of Personnel Management, Central Personnel Data File (CPDF).

Projected FEC Regular Retirements vs. Federal Government (DC Area)
 (Cumulative)



Source: Projections provided by the U.S. Office of Personnel Management. Statistics as of October 2000 and exclude the U.S. Postal Service.

Number of Current Employees Becoming Eligible for Regular Retirement by Office and Time Period

Retirement Years	Comm.		Admin.															
	Wide	Rev.	Admin.	ADR	Audit	Clearing.	Comm.	DSDD	EEO	Info.	OGC	OIG	P & M	PDD	Pers.	Press	RAD	SD
Current CY 2001	12		0		1	0	0	1		0	5			0	0		1	3
CYs 2002-2006	29		1		5	1	3	3		0	9			0	1		0	2
CYs 2007-2008	38		5		5	2	3	5		0	8			2	0		4	1
CYs 2009-2011	32		1		4	0	4	9		1	9			1	1		1	1
Post CY 2011	246		14		25	2	11	29		12	86			10	4		39	7
Total 9/2001 Staff	357	2	21	2	40	5	21	47	1	13	117	4	2	13	6	4	45	14

Percent of Current Employees Becoming Eligible for Regular Retirement by Office and Time Period

Retirement Years	Comm.		Admin.															
	Wide	Rev.	Admin.	ADR	Audit	Clearing.	Comm.	DSDD	EEO	Info.	OGC	OIG	P & M	PDD	Pers.	Press	RAD	SD
Current CY 2001	3%		0.0%		2.5%	0.0%	0.0%	2.1%		0.0%	4.3%			0.0%	0.0%		2.2%	21.4%
CYs 2002-2006	8%		4.8%		12.5%	20.0%	14.3%	6.4%		0.0%	7.7%			0.0%	16.7%		0.0%	14.3%
CYs 2007-2008	11%		23.8%		12.5%	40.0%	14.3%	10.6%		0.0%	6.8%			15.4%	0.0%		8.9%	7.1%
CYs 2009-2011	9%		4.8%		10.0%	0.0%	19.0%	19.1%		7.7%	7.7%			7.7%	16.7%		2.2%	7.1%
Post CY 2011	69%		66.7%		62.5%	40.0%	52.4%	61.7%		92.3%	73.5%			76.9%	66.7%		86.7%	50.0%
Total	100%		100%		100%	100%	100%	100%		100%	100%			100%	100%		100%	100%

[Note: In accordance with the Privacy Act of 1974, as amended, 5 U.S.C., section 552a, some information has been deleted.]

Division Key

Adm. Rev. = Administrative Review (98)

OGC = Office of the General Counsel (40) [PFES, Enforcement, Policy, and Litigation offices]

Admin. = Administrative Division (10)

OIG = Office of Inspector General (85)

ADR = Alternative Dispute Resolution (97)

P & M = Office of Planning and Management (91)

Audit = Audit Division (20)

PDD = Public Disclosure Division (70)

Clearing. = Clearinghouse (50)

Pers. = Office of Personnel and Labor Relations (92)

Comm. = Office of the Commissioners (80)

Press = Press Office (93)

DSDD = Data Systems Development Division (60)

RAD = Reports Analysis Division (75)

EEO = Office of Equal Employment Opportunity (94)

SD = Office of the Staff Director (90)

Info. = Information Division (30)